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SECOND SESSION

HOUSE OF COMMONS

STANDING COMMITTEE

ON

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# EXTERNAL AFFAIRS

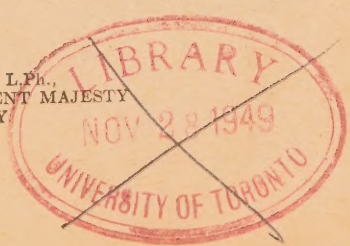
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

FRIDAY, NOVEMBER 18, 1949.

Estimates of the Department of External Affairs  
1949-50.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.P.R.  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1949







# ORDER OF REFERENCE

HOUSE OF COMMONS,  
Wednesday, 12th October, 1949.

*Resolved.*—That the following Members do compose the Standing Committee on External Affairs:—

## Messrs.

Balcer	Diefenbaker	Leger
Bater	Fleming	Low
Beaudoin	Fournier ( <i>Maisonneuve-Rosemont</i> )	MacInnis
Benidickson	Fraser	Macnaughton
Bradette	Gauthier ( <i>Lac St. Jean</i> )	McCusker
Breithaupt	Gauthier ( <i>Portneuf</i> )	Mutch
Campney	Graydon	Picard
Coldwell	Green	Pinard
Côté ( <i>Matapédia-Matane</i> )	Hansell	Richard ( <i>Ottawa East</i> )
Croll	Harris ( <i>Grey-Bruce</i> )	Robinson
Decore	Laing	Stick
Dickey		Winkler—35. ( <i>Quorum 10</i> )

*Ordered.*—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Thursday, 17th November, 1949.

*Ordered.*—That Votes Nos. 51 to 70 inclusive, of the Main Estimates 1949-50, and Nos. 766 to 799 inclusive, of the Further Supplementary Estimates 1949-50, be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

*Ordered.*—That the said Committee be empowered to sit while the House is sitting.

Friday, 18th November, 1949.

*Ordered.*—That the said Committee be given permission to print from day to day 500 copies in English, 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

*Attest.*

LÉON J. RAYMOND,  
*Clerk of the House.*





## REPORT TO THE HOUSE

FRIDAY, November 18, 1949.

The Standing Committee on External Affairs begs leave to present the following as its

### FIRST REPORT

Your Committee recommends:

1. That it be given permission to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*

*Note:* Concurred in this day.





## MINUTES OF PROCEEDINGS

FRIDAY, November 18, 1949.

The Standing Committee on External Affairs met this day at 11.30 o'clock. Mr. J. A. Bradette, Chairman, presided.

*Members present:* Messrs. Balcer, Bater, Beaudoin, Benidickson, Bradette, Campney, Coldwell, Decore, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Harris (*Grey-Bruce*), Leger, Low, MacInnis, McCusker, Richard (*Ottawa East*), Robinson, Winkler.—24.

*In attendance:* Honourable Mr. L. B. Pearson, Secretary of State for External Affairs; Mr. A. D. P. Heeney, Under Secretary of State; Mr. H. O. Moran, Assistant Under Secretary of State; and Mr. S. D. Hemsley, Chief Administrative Officer.

The Chairman extended a word of welcome to the new members and to the newly-elected Members of Parliament who serve on the Committee.

The Chairman read the Orders of Reference.

On motion of Mr. Coldwell, seconded by Mr. Fraser, Mr. Graydon was elected vice-chairman.

On motion of Mr. Beaudoin:

*Resolved*,—That permission be obtained to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence.

The appointment of a Steering Committee was deferred.

The Committee proceeded to consider Vote 51—Departmental administration—of the estimates referred.

Honourable Mr. Lester B. Pearson, Minister of External Affairs, was questioned at some considerable length on international affairs and Canada's relations with other countries. Mr. Pearson was assisted by Messrs. Heeney, Moran and Hemsley.

At the request of Mr. Green, a report of the work of the Far Eastern Commission will be made available to the Committee.

In the course of his questioning, Mr. Graydon reiterated his suggestion to designate as Minister of External Affairs the Secretary of State for External Affairs.

At 12.55 o'clock, the Committee adjourned until 3.30 o'clock this day.

## AFTERNOON SESSION

The Committee resumed at 3.30 o'clock.

*Members present:* Messrs. Bater, Beaudoin, Benidickson, Bradette, Coldwell, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St-Jean*), Gauthier (*Portneuf*), Graydon, Green, Harris (*Grey-Bruce*), Leger, Low, MacInnis, McCusker, Richard (*Ottawa East*), Robinson and Winkler.—21.

*In attendance:* Same as at the morning session.

The Committee resumed its consideration of Vote 51 of the estimates referred, and concluded the questioning of the Minister of External Affairs on international affairs and Canada's relations thereto.

At 4 o'clock, an invitation to the members of the Committee to attend a reception by The Speaker of the House in honour of Field Marshal The Earl Wavell having been received, the proceedings were suspended until 4.15 o'clock.

In answer to Mr. Fleming, Mr. Heeney undertook to prepare for presentation a detailed analysis of departmental expenditures.

The Chairman expressed the Committee's appreciation to Mr. Pearson for his informative and factual answers.

At 5.45. the Committee adjourned until Tuesday, November 22, at 3.30 o'clock.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## MINUTES OF EVIDENCE

FRIDAY, November 18, 1949.

The CHAIRMAN: Order, gentlemen.

Before we proceed I wish to extend a most cordial welcome to the new members of our committee, a number of them being newly elected members of the House of Commons. I also wish to thank you, gentlemen, for coming in early, and your interest is a good omen for the activities of this committee.

I shall first read the order of reference: (Read. See Minutes of Proceedings.)

The second order of business is the election of a vice-chairman.

Mr. COLDWELL: I move that Mr. Graydon be the vice-chairman.

Mr. FRASER: I second that motion.

Carried.

The CHAIRMAN: With respect to printing of evidence the motion is:

"That the said committee be given permission to print from day to day copies in English and copies in French of its minutes of proceedings and evidence."

Last year we printed 500 copies in English and 200 copies in French.

Mr. BEAUDOIN: I so move.

Mr. LEGER: I second.

Carried.

The CHAIRMAN: I think that the matter of appointing a steering committee may be left until later.

We all know of the present very heavy responsibilities of our Minister of External Affairs and I believe that it will be in order for me as chairman, to felicitate him on the statement that he made in the House. My remarks also apply to all speakers of all parties who spoke on the affairs of this very important department. We are indeed fortunate to be able to sit this morning and, as it will be impossible for Mr. Pearson to be with us the whole of next week we will try to hold another meeting today.

I shall now call item No. 51, page 9, in the book of Estimates for the year 1950—departmental administration.

Mr. FRASER: I would like to ask the minister a question. Who have you got at the present time in China? Have you got any counsellors there at all? How many people have we and where are they located?

Hon. Mr. PEARSON: We have our embassy in Nanking although the Ambassador himself is in Canada. We have in charge of that embassy a first secretary, Mr. Ronning who has the local rank of Counsellor. He has had long experience in China, having lived there many years. He has a small staff. Mr. Heeney, the deputy minister, will be more familiar with the details than I am. We also have a consulate general in Shanghai which is still functioning as normally as conditions permit.

Mr. FRASER: What about Hong Kong?

Hon. Mr. PEARSON: There is a Trade Commissioner in Hong Kong but he is not under our department.

Mr. FRASER: There is something else I would like to ask. Since this committee met last I believe the minister has done away with what might be called "handles" for our ambassadors in different places. He has done away with the "excellencies" and that sort of thing. Are those gentlemen now addressed as plain "Mister".



Hon. Mr. PEARSON: All our heads of missions would be very glad to be addressed as plain "Mister". We encouraged that but I do not think any formal action on our part was taken. Our communications from the department to the heads of missions are addressed "Dear Mr.—". We cannot do away with foreign governments following the traditional practice of calling all sorts of people "Excellencies".

Mr. FRASER: There was a press notice months and months ago regarding the matter. I just wondered how it came about.

Hon. Mr. PEARSON: Perhaps you are thinking of the development that took place some months ago in connection with the status of commonwealth representatives in other commonwealth countries. The position was reversed there and the status and formal position was increased to bring them on a level with foreign representatives in commonwealth countries. I understand High Commissioners in London are now entitled to call themselves "Excellencies" if they so desire. The position is not altered, and the provision is only permissive.

Mr. FRASER: The reason I asked the question is because I feel that in foreign countries, for prestige reasons, it should not be a rule that our people must be called Mister.

Hon. Mr. PEARSON: Quite so. We do not attempt to advise other countries what they shall call our representatives. They follow their own practice and we follow their practice. If a representative from a foreign country is addressed as His Excellency by that country we follow suit.

Mr. COLDWELL: Had I had an opportunity of speaking in the debate yesterday I would have raised a question which the Minister touched on very briefly in his address. It had to do with the situation concerning Canadian citizens crossing the border into the United States. We have had a couple of pretty glaring cases in the last year or so. One incident concerns Professor Glen Shortliffe of Queen's University. He accepted a post as a professor of languages at St. Louis, Missouri. He made all arrangements to go there; gave up his position; and much to the inconvenience of the professor, of Queen's University, and of the university in the United States, he was admitted and then refused admittance. There have been other cases, like that of Professor Fairchild—

Hon. Mr. PEARSON: Fairley.

Mr. COLDWELL: A recent article published in *Maclean's* Magazine also has some bearing on the attitude of some of the American authorities. I think we all want to maintain the best possible relationships with the United States. We admire the American people and I believe this type of incident is a matter which may have come under the review of people who perhaps did not know or understand the situation. It has caused a great deal of misgiving in the minds of a good many Canadian people. I have gone through some of Professor Shortliffe's addresses and heard many of his radio speeches. Like other professors he endeavours, in discussing international affairs, to give two sides of a question although that is sometimes misunderstood. I have a letter written by a very prominent conservative in Kingston speaking of Shortliffe's war record, his associations there, and refuting the idea that in any way he was a communist or even a fellow traveller. I think this is a matter which does concern Canadians generally and it concerns the Department of External Affairs.

I would like to know just what the department did regarding the Shortliffe and Fairley cases?

Hon. Mr. PEARSON: I am very glad to deal with this matter, Mr. Chairman. I did touch on it in my statement two days ago.

We have received protests in the department in respect of certain Canadians who have been refused admission to the United States. Our general attitude, of course, must be based on the complete control by the United States authorities of their own immigration procedure.

Mr. COLDWELL: Certainly.

Hon. Mr. PEARSON: They have the right to determine who will enter their country. Nevertheless, when a case is submitted to the department with the request that we intervene with the United States because of their refusal to admit a Canadian into their own country, if the circumstances warrant, we do intervene. We ask the State Department to investigate and to ascertain whether an injustice has been done. That is as far as we can go formally. We have gone that far in the cases which have been submitted to us that seem to warrant the procedure, including the two cases which Mr. Coldwell has mentioned.

I may say, in addition, that we are a little worried about the reaction in Canada generally to the development of this procedure of refusal of admission to the United States of certain Canadians on alleged security grounds. I have discussed the matter personally with the Secretary of State and I asked him if he would look into the matter to see if something could be done to prevent this becoming an unfortunately important issue. I have no doubt action has been taken.

The United States security laws governing admission into that country are very strict but they are the result of congressional action. The result of that action has been the establishment of what they call black lists of organizations as well as of people. Through their immigration authorities, they exercise their right of refusing admission to their country of people who they think are associated with any organizations which they have black listed. I should add, Mr. Chairman, that in taking this matter up with the United States authorities, we have arranged a conference of officials of both governments to see if the difficulties can be ironed out, and we hope as a result that some of the complaints which we have received will not occur in the future. One final thing though I should say: when we get complaints from the United States in regard to these matters we tell our correspondents in the United States that the remedy is in their own hands, to take it up with their own government.

Mr. COLDWELL: As a matter of fact I believe the ban against Mr. Shortliffe has been lifted.

Mr. GRAYDON: Before asking a question of the minister I want to thank the membership of this committee for appointing me vice-chairman. I may say that this is the first overwhelming victory that any member of our party has had for quite a while. I want to make a note of that and thank everyone who has been responsible for it.

Now I would like to ask the minister, however, how the American authorities get evidence upon which they base their refusal to admit certain people to their country. Do they get it from some Canadian authority or have they some kind of a network in here themselves by which they get the evidence on those very gentlemen whom they refuse to let in to the United States.

Hon. Mr. PEARSON: They do not get it from the Department of External Affairs. They have their own immigration officials in Canada; there are no doubt people in this country who write letters to the United States authorities who tell them, "don't let so and so in, he is a red." I don't know how they get the information. That may be one of the things they may be discussing in this conference.

Mr. COLDWELL: I think in the Shortliffe case they got it from a scurrilous anti-C.C.F. publication in the country. I am not going to name it.

Mr. RICHARD: Would there be any good purpose served in limiting the number of Russians and their friends who serve on consular or embassy staffs or chargé d'affaires staffs, in Canada—limiting their number to the same number as we have in Russia, or should we have more in Russia to discourage them having so many here?

Hon. Mr. PEARSON: That matter has been considered. It might be felt that in respect of certain conditions the strength of the staff is greater than that which is required for normal diplomatic and consular business, but we hesitate to take any formal action of that kind and ask a foreign embassy to limit its staff to the

number we have in their country. If we feel we have in that particular country a staff adequate to take care of the business we think should be done for Canada, then we don't worry too much about the number that are required by that country to do their business here. If, however, they took steps to limit our numbers and to prevent us doing our job, then we might have to review the situation in that light.

Mr. McCUSKER: When we send an ambassador to a country does he employ his servants from among the nationals of that country?

Hon. Mr. PEARSON: That depends upon circumstances. Normally that would be the case.

Mr. McCUSKER: But other countries like Russia for instance coming here, and setting up a mission, bring all their servants with them.

Hon. Mr. PEARSON: That is quite right. By and large the whole staff of the U.S.S.R. consists of U.S.S.R. nationals. Occasionally they do employ a local person, but in our case taking a Canadian to a foreign country for that kind of work would be the exception.

Mr. GREEN: Is the Far Eastern Commission still functioning? Canada, I believe, has membership on that commission, and at the time it was set up the then United States Secretary of State, Mr. Byrne, pointed out that they had a responsibility for straightening things out in Japan. Now it would appear that they have just been shoved into the background and have very little influence on what goes on in Japan. I think it would be helpful if the minister could explain his position in regard to that commission.

Hon. Mr. PEARSON: The Far Eastern Commission is still functioning and I think it had a meeting in Washington the day before yesterday. It has not been as active as it would have been if conditions had not made impossible the negotiations for the Japanese peace treaty. In that regard it might have been used as a preliminary agency, and on that a great deal of work of a preliminary character has been done by the Far Eastern Commission, and it has given advice to the occupying authorities in Japan. But for obvious reasons, because of the split between east and west, which reflects itself even in the Far Eastern Commission, that commission has not been able to do the job that some people thought it would have done when it was set up.

Mr. GREEN: How many members are there on that committee?

Hon. Mr. PEARSON: All the far eastern countries are represented. The U.S.S.R. and China, India, Australia, New Zealand, United Kingdom, France, Netherlands, and Canada of course. Pakistan and Burma joined the commission the day before yesterday. I do not know whether that is supposed to be secret information or not but they attended their first meeting the day before yesterday, so it is a pretty representative body as far as countries are concerned.

Mr. GREEN: Is there any chance of it being used to do preliminary work leading to the conclusion of a peace treaty with Japan? I notice in the press it would appear that the four powers, the United States, Great Britain, France and Russia are taking the lead now in working toward a Japanese peace treaty.

Hon. Mr. PEARSON: To what extent the Far Eastern Commission could be used in that connection would depend on whether the four powers represented on the Security Council would be able to reach an agreement on whether such a conference should be held, when it should be held, and under what circumstances. There has been no such agreement up to the present time.

Mr. GREEN: Is there a Chinese delegate sitting on the Far Eastern Commission and also working with the delegates from the other four permanent members of the Security Council?

Hon. Mr. PEARSON: Yes, there is a Chinese delegate on the Far Eastern Commission. He is the same delegate who has been there for some years now.



Mr. COLDWELL: A change in the recognition of the government of China would mean a change in the Chinese personnel of that commission?

Hon. Mr. PEARSON: A general recognition of the communist government of China would mean a change in the personnel of the Chinese representation on all international bodies.

Mr. GRAYDON: Has the government of India recognized the Chinese communist government?

Hon. Mr. PEARSON: The position of the Indian government was, I think, referred to by the Indian Prime Minister the other day, to the effect that they are going to give the matter consideration. Their position in that regard is more or less like our own: they have not indicated whether they will recognize the communist government of China or whether they will not recognize it.

Mr. GREEN: Without recognition by us or some of the bigger powers like the United States, will that mean any change so far as China's permanent seat on the Security Council is concerned?

Hon. Mr. PEARSON: That is a very difficult question, and that is one of the reasons why it is very important that as many states as possible take the same action. If some members of the United Nations recognize the Chinese communist government as the government of China and others continue to recognize the nationalist government of China as its legitimate government, we would be in a very difficult position. I do not know what would happen. We would have two claimants to the seat on the Security Council and the Security Council itself would have to decide. So it is very important that whatever action we take we take it together.

Mr. GREEN: So far recognition has been given by Russia and its satellites only?

Hon. Mr. PEARSON: Yes. No other states have recognized the Chinese communist government yet.

Mr. GREEN: Who is the other Canadian delegate on the Far Eastern Commission?

Hon. Mr. PEARSON: Mr. Collins, the second secretary in the Canadian embassy in Washington is the alternate Canadian delegate to the Far Eastern Commission.

Mr. GREEN: Would it be possible for us to get reports of the Far Eastern Commission? We do not get information like that.

Hon. Mr. PEARSON: We would be very glad to submit to the committee a report on the work of the Far Eastern Commission and even have Mr. Collins come up here if necessary.

Mr. GRAYDON: Is there any objection to having the committee call the Canadian Ambassador to China to appear before it?

Hon. Mr. PEARSON: I see no objection to that, but I would like to point out that an ambassador on leave is in a very difficult position with regard to public appearances. It has been suggested that ambassadors might, when they come back to Canada from a foreign country, explain the Canadian policy in respect to that country to which they are accredited. Diplomacy of course, if it is to be useful, has to be conducted with discretion and an ambassador coming back to Canada and talking too much about the policies of the country to which he is accredited might not be of much use when he returns there. Mr. Davis is in this position. He may or may not be going back to China, but if he did appear in an off-the-record position, I think it might be interesting if he appears before the committee subject to that reservation.

Mr. COLDWELL: That is, "off the record"?



Hon. Mr. PEARSON: Well, it could be done that way. If it was off the record, he would be in a much freer position to discuss matters. That will be for the committee to decide.

Mr. MACINNIS: In case Russia holds up a peace treaty with Japan indefinitely, which is very likely, are the other powers considering any action they might take.

Hon. Mr. PEARSON: Consideration is being given to the possibility of going ahead without the U.S.S.R. However, I think it likely that that problem will be related to the Chinese problem. It will be one thing to have a Japanese peace treaty and a representative of the nationalist government of China there, and it will be another thing to have a peace treaty with a representative of the communist government there. Until that matter is cleared up one way or the other, there cannot be very much progress in respect to some of these matters.

Mr. GREEN: I would like to ask the minister about the present position concerning the Hyde Park Declaration. That declaration was first made on April 20, 1941, and then in May of 1945, the principles of the Hyde Park Declaration were extended into the post-war transitional period with special reference to the problems of recognition of industry. I would judge from statements made by the Prime Minister and the Minister of Defence within the last few weeks that this Hyde Park Declaration is now of no effect, but I may be wrong in that. Could the Minister explain just what the present position is?

Hon. Mr. PEARSON: Well, that is not easy to do, and I would like to have a chance to look into the matter. The Hyde Park Declaration was a wartime declaration of principles governing trade between two countries. And as you have said, Mr. Green, we have not assumed that those principles would apply in the post-war period of reconversion.

Mr. GREEN: There were letters setting out that it would be applicable in the post-war period of reconversion.

Hon. Mr. PEARSON: That is quite true. But the period of reconversion has, I think, been completed. This Hyde Park Declaration was never a formal arrangement in the sense of a treaty or convention, and we could not hold the United States to that arrangement, nor could they hold us to those terms. But we do hope that that spirit would prevail in the post-war period so that we would be able to buy United States supplies for defence purposes, which could only be done if financial exigencies were met by the United States buying an equivalent amount of material in Canada.

Mr. COLDWELL: A sort of barter arrangement?

Hon. Mr. PEARSON: It was an undertaking on the side of both governments not to allow financial considerations to interfere with defence procurements. I would not like to say that those considerations, at the present time, are not interfering with defence procurements.

Mr. GREEN: I beg your pardon?

Hon. Mr. PEARSON: I would not like to say that those considerations, at the present time, are not interfering with defence procurements, because they are interfering.

Mr. GREEN: The Hyde Park Declaration is very clear. It says that:

It was agreed as a general principle that in mobilizing the resources of this continent each country should provide the other with the defence articles which it is best able to produce, and, above all, produce quickly, and that production programs should be co-ordinated to this end.

The reference was to the defence of the western hemisphere and the same principle was extended to May 1945. It does seem that we should know just what the picture is now, and whether Canada is attempting to have the Hyde Park provisions extended, at the present time.

Hon. Mr. PEARSON: I can say that we are taking whatever steps we can to make those principles applicable to defence co-operation and integration of our defence forces, as has already been stated; and we have discussed with the United States authorities the financial difficulties, the exchange difficulties, which make the application of those principles difficult at the present time. We are in the midst of those discussions now.

Mr. COLDWELL: Is there not congressional action which stands in the way?

Hon. Mr. PEARSON: Yes. The Military Aid Bill constitutes, in some respects we think, an obstacle to the application of those principles. But we have been given some assurances that our fears, in this regard, have been a little exaggerated; and we are discussing just exactly what the position is at the present time.

Mr. GREEN: Is not the real difficulty some old United States statute which provides that United States defence forces must buy in the United States? That obviously goes away back before the time of the Hyde Park Declaration.

Hon. Mr. PEARSON: I speak subject to correction; I want to be pretty careful about this; but I believe some such provision is also included in the Military Aid Bill which was passed some months ago. It would prevent United States forces from procuring goods in Canada; prevent them from procuring supplies which it would be possible for them to procure in the United States.

Mr. Heeney reminds me that the language of the Act is not "prevent", but "permit". It may be a distinction without a very great difference, I mean a distinction in language. However, we have been assured by the authorities in Washington of their goodwill and we are looking into the matter now.

Mr. GREEN: Goodwill does not seem to be getting us very far.

Hon. Mr. PEARSON: What we need is more American dollars rather than more goodwill.

Mr. GREEN: Has this matter been discussed by the Permanent Joint Defence Board?

Hon. Mr. PEARSON: I think it has, and also with the State Department directly.

Mr. COLDWELL: You cannot override congressional action.

Hon. Mr. PEARSON: No.

Mr. GRAYDON: May I raise a question at this point. I would like to get a further clarification of the Minister's statement last night as he closed the debate. I have been unable to secure a copy of yesterday's *Hansard* so I shall have to speak subject to correction and rely upon my memory.

The Minister will remember that during the debate I raised a question, a very serious question, in connection with whether or not there was any international agreement between the two countries relating to the question of atomic energy and that particular aspect of it which I mentioned, which had come up in the Committee on Atomic Energy, just a few days ago. If I remember correctly, the Minister said that there was no agreement between the two countries with respect to that aspect of it. I would like to refer, if I may, to the report of the Special Committee on the Operations of the Atomic Energy Control Board, wherein Dr. Mackenzie said—and it was largely upon his statement, and another passage, that I relied in making the statement I did in asking for further information.

This is what Dr. Mackenzie says in the minutes of proceedings No. 1, at page 9:

Secrecy is something about which we feel keenly. We would like to be free of the necessity for secrecy but we are bound by an international agreement . . .

Now, I think it will only be fair to the committee that we should find out just what he means by that, and what the Minister means when he says that there has been no international agreement on the point.

Hon. Mr. PEARSON: I wish I had my text before me, but I have not. However, my recollection of what I meant is: that there is no international arrangement or agreement which would discriminate against the Canadian industrial users of isotopes, in favour of United States users. In other words, under the security arrangements, which we have agreed upon with these other countries it is possible for us to release just as much information and to give just as much assistance to the Canadian industrialists as the United States can give to their industrialists or the United Kingdom to theirs.

Mr. COLDWELL: I was present at the committee meeting, and I think that what Dr. Mackenzie had in view was secrecy in the exchange of information between Canada and the United States, on matters connected with atomic energy. I think that was it; that there was an international understanding regarding that aspect of the matter.

Dr. Mackenzie made the statement again, within the last few days, that he thought it was unfortunate that this exchange of information could not be proceeded with among the three countries, the United Kingdom, Canada and the United States. That was my understanding of the reference at the committee meeting which I attended.

Mr. GRAYDON: But, Mr. Chairman, does not the McMahon Act of 1946 prevent any American officials, or anyone connected with the administration, from having anything to do with information relative to atomic energy; does not that have to be read into any international agreement there may be because it is part and parcel of it? It does discriminate against our interests here.

I think that is the real problem. It may be that the Minister is right when he says that there is no international agreement which affects our industrial position here; but certainly, when you read the McMahon Act with it, there certainly is. I think this matter ought to be cleared up.

Hon. Mr. PEARSON: Well, what I said last night was that there is no agreement or understanding between the Canadian and the United States Governments which limits information available to the Canadian industry to any greater extent than it is limited in the case of United States industry. Mr. Graydon is quite right, of course, in emphasizing that the McMahon Act does impose certain limitations on the information that can be conveyed to foreign governments by any United States authority. That is quite true; and that congressional Act does limit the amount of information which the United States gives us in these matters.

Now, what I was saying last night was: that, notwithstanding that limitation, we are in a position to give to our industry just as much information on this matter as the United States Government is giving to its industry. I would not like to go any further than that because I am not very expert with the details of this matter. It might be better for the committee if you had before you the Right Hon. Mr. Howe or Dr. Mackenzie, or both.

I can add, however—and this, I think, is public knowledge—that the three governments have been discussing, in recent weeks, the extension of the exchange of information; and that, in effect, means the easing-up of the United States situation in regard to such exchange.

It was quite clear, in those discussions, which were very friendly and very successful that one of the difficulties in regard to the removal of these limitations of exchange of information from the United States to other countries, that is, to the United Kingdom and Canada, was the congressional Act; and the United States authorities recommended considering how that limitation can be eased. And for that purpose they are in touch with Senator McMahon and the congressional people concerned.



Mr. GREEN: There is no limitation on the exchange of information between Great Britain and Canada, in connection with atomic energy.

Hon. Mr. PEARSON: There is no limitation of any kind that I know of. I think that is right.

Mr. RICHARD: Are there now any active negotiations between the western powers and Canada and Spain in respect to its cooperation in western affairs?

Hon. Mr. PEARSON: I do not know of any negotiations between any other country and Spain which would increase the cooperation which now exists between Spain and those countries.

As far as we are concerned, we have not had any discussions of that kind. With Canada, it is not a case of whether we have broken any formal diplomatic relations with Spain, or removed our ambassador, as some other countries did, subject to that United Nations resolution. We never have had any diplomatic representatives in Spain. However, recently there was a trade commissioner appointed—a trade commissioner not an ambassador—in September of this year.

Mr. McCUSKER: If we are seeking trade, we might follow it up with a more senior representation.

Hon. Mr. PEARSON: We might. But there are a good many countries in the world where we have trade representation and no diplomatic representation. I am thinking of some of the Latin American countries. For instance, we have a trade commissioner and consul general in Caracas, Venezuela, and Colombia, but we have no diplomatic representation in those countries. We are now considering the desirability of converting them into diplomatic representation because, even from the point of view of trade, it can be argued that we would be in a better position to trade if we had diplomatic status to promote trade.

Mr. GAUTHIER (*Portneuf*): Mr. Chairman, I have before me the issue of December, 1948, of the "United Nations World", at page 59 of which there is an article entitled: "What the Future Holds for Franco".

I read from that article as follows:

First, it is quite clear that the U.N. will not soften. The San Francisco decision, which denied membership to Spain because of its Fascist Government, the Potsdam Declaration which confirmed it, and the Tripartite note of 1946, in which Britain, France and the United States re-emphasized it, still stand.

Is that correct?

Hon. Mr. PEARSON: What is that last phrase again? I did not get the last sentence.

Mr. GAUTHIER (*Portneuf*):

... the Tripartite note of 1946, in which Britain, France and the United States re-emphasized it, still stand.

Hon. Mr. PEARSON: That is correct. That note still stands. It covers the policy of these three governments, but I do not know whether that means there may not be a change.

Mr. GAUTHIER (*Portneuf*): Am I correct in saying to you: is it true that the United States government said, a few months ago, that if somebody would sponsor the recognition of Spain in the U.N.O., they would support it? Am I correct in saying that?

Hon. Mr. PEARSON: There has been a certain amount of support in the United States, especially in congressional circles, for that view. Certain congressmen have been in Spain and have come back strongly of the opinion that the United States government should change its policy in regard to Spain, both because of the communist menace from the east, and because of the strategic



importance of Spain in regard to that situation, and that feeling has not yet expressed itself in any governmental action in the United States, and I would not like to express any opinion whether it will or whether it will not.

Mr. GAUTHIER (*Portneuf*): I understand that Mr. Glass is our Trade Commissioner there?

Hon. Mr. PEARSON: Yes, I think that is right.

The CHAIRMAN: Are there any more questions? This being the first item on external affairs, and in view of the fact that the minister is very busy and will not be available to the committee next week, perhaps members would put all the questions they have to put to the minister under this item. Such a procedure, I believe, would enable him to go pretty thoroughly into all matters with which he is concerned and would give members of the committee an opportunity to ask their questions while he is present. I may inform the committee that he will not be able to appear before us next week.

Mr. FRASER: I have just one or two questions. I believe there are some negotiations now going on with the United States government concerning their motor vehicles in Newfoundland bumping into our vehicles there and we have no redress at all.

Hon. Mr. PEARSON: Well, that may be a part of the problem of the jurisdiction of the United States forces in Newfoundland under the bases agreement. That agreement which was concluded, of course, before Newfoundland was a part of Canada, gives the occupation forces powers which are very far-reaching. It gives them civil and military jurisdiction. I do not know what would happen if a United States military car ran into a Newfoundland civilian car, but I suspect the only remedy the civilian car would have—well, he would be out of luck as far as getting any compensation or redress is concerned; and we are in the process of negotiating with the United States Government now concerning certain changes which we think will be necessary by both governments. We must, of course, accept the fact that when Newfoundland became a part of Canada the agreement became a part of Canada and we must fulfil those obligations. At the same time we hope that by friendly arrangements between these two countries the terms of that particular lease in its application to Newfoundland can be modified somewhat without interfering with the United States strategic plans at all, to bring it more in line with the principle of co-operative action which applies to our other mutual defence arrangements with regard to United States troops on Canadian territory. We have control over such co-operative action.

Mr. FRASER: And that applies to personnel also, I understand.

Hon. Mr. PEARSON: It applies to a great many things.

Mr. FRASER: What agreement have you in other places, let us say at Churchill?  
Is it a different arrangement?

Hon. Mr. PEARSON: Yes; in other places where we have joint bases in Canada the Visiting Forces (U.S.A.) Act applies to United States personnel, and that does not give them the same far-reaching rights that they have in Newfoundland.

Mr. FRASER: And you think that something similar to that could be put into force in Newfoundland?

Hon. Mr. PEARSON: Well, we would like to have the whole Newfoundland situation more in accord with the general situation.

Mr. FRASER: Thank you.

Mr. BATER: Is this Newfoundland agreement made for a period of years?

Hon. Mr. PEARSON: Yes, for 99 years. Eight of them have gone. We do not think we can wait for the other 91.

The CHAIRMAN: Mr. Minister, are there any Canadian troops or armed forces in American territory, such as Alaska?

Hon. Mr. PEARSON: There are some Canadian military personnel in the United States for training and attached for other duties, but they are not in the same position as Americans who are on duty in Canada.

Mr. GREEN: They are not in the United States on the same basis as the Americans are here, are they?

Hon. Mr. PEARSON: Yes, some of them are there on the same basis as United States troops now in Canada, doing general training with the United States forces; and they have—I think I am right in saying—they have the same privileges there with respect to those forces as the Americans serving in Canada enjoy.

Mr. GRAYDON: Mr. Chairman, I want to change the subject for a moment. I want to bring up the question of the rather static situation in Moscow. My understanding is that we have not a full-fledged ambassador in Moscow now nor have they one in Canada. Has that situation changed or is it still as static as it was?

Hon. Mr. PEARSON: It remains just the same as it was. The U.S.S.R. removed their ambassador from Canada and, of course, we removed ours from Moscow. We think the first move to restore completely normal relations should be in Moscow. We should not, of course, merely stand on proper precedent in that country and if it were to our advantage to initiate a change we should do it. But I do not think we are suffering very much from the present position.

Mr. GRAYDON: How many officials have we there now?

Hon. Mr. PEARSON: We have three Departmental officers there, a military attaché, and a small staff.

Mr. GRAYDON: I take it that it is an advantage to Canada to have someone there?

Hon. Mr. PEARSON: It is very definitely to Canada's advantage. We get very interesting reports, of course, from Moscow, in so far as our officials are permitted to get in touch with affairs. Their reports would be very valuable if they were able to have greater contact with the military and other people; nevertheless we get very interesting reports. In that connection, Mr. Chairman, I would like to mention a point which Mr. Graydon himself has made, that we should use these reports from foreign countries in the statements which we make out on the work of the department. That would be difficult to do because in the first place these reports are confidential and in some of the countries the sources from which they come are very confidential, and we would certainly prejudice those sources if the reports or parts of them were made public. Nevertheless, there is interesting information in these reports which we receive, not only from Moscow but from other countries as well, and some of that information could be made public. We have been considering making such parts of that information available to the Press Gallery and including it at times in our External Affairs Bulletin; and I think we can do something along those lines.

Mr. GRAYDON: I take it then that no invitations are extended by the Kremlin to our representatives at Moscow, at least they are somewhat infrequent?

Hon. Mr. PEARSON: Oh, they go to all the formal Kremlin functions, the formal and ceremonial occasions, and when we have any particular business to take up we can get in touch with the proper Kremlin officials.

Mr. FLEMING: You sort of get the runaround?

Hon. Mr. PEARSON: Not always.

Mr. Low: Mr. Chairman, I wonder if the Minister would tell us whether or not Canada contemplates joining the Pan-American union?

Hon. Mr. PEARSON: That question is a hardy perennial and I suppose I had better give the usual answer.

Mr. Low: Is it not true that in recent times there has been a certain amount of agitation from outside of Canada as well as within Canada that we should do that?

Hon. Mr. PEARSON: We have not had much agitation, if you want to call it that. The evidence rather indicates that there is relatively very little interest in Canada in those countries, and one way and another I do not think there is much opposition; in fact there appears to be no opposition to Canada joining the Pan-American union. There is certainly no widespread desire that we should. We have not had any serious approaches from other governments.

Mr. Low: Would there be any advantage?

Hon. Mr. PEARSON: If there were any advantage we should join. Perhaps I might say this on the question, that we belong to a good many of these international clubs and I do not want to say anything which would seem to depreciate in any way the value of the Pan-American union. Of course, as you know, the Pan-American union is a regional association in one sense; it is also an association for mutual defence. And if you look at the map of the world you will see that the Northern Hemisphere is a little more important to Canada than is the Western Hemisphere, and all our lines of contact—strategic, commercial, cultural, and so on—are across the North Atlantic. Those countries are closer to us geographically and we see no particular necessity for other than normal contacts with the countries of South America. On the other hand it is true, as I tried to point out the other day, that our contacts with South America are becoming increasingly important, that we have developed an important trade, and we have shown our recognition of that fact by the extension of our diplomatic contacts down there.

Mr. Low: That is what prompted me to ask the question.

Mr. GREEN: Our friendships with the South American nations have not been affected by our not having ambassadors there?

Hon. Mr. PEARSON: I do not think it has. If they were being affected that would be an important consideration, because we want to develop and improve that association.

Mr. GREEN: We want to be on good terms with them, as we are now.

Hon. Mr. PEARSON: We are on extremely good terms. Just the other day in the United Nations Assembly the representative from Brazil made a very moving reference to Canada.

Mr. BATER: Is Canada the only country in North America which is not a member of the Pan-American union?

Hon. Mr. PEARSON: It is the only country which is not a member. It wasn't many years ago that when a suggestion was made that we should join the Pan-American Union it was not welcomed in Washington. I would think they have changed their minds about that now.

Mr. GRAYDON: It might be of some advantage to us if we were to join; would there be any disadvantages?

Hon. Mr. PEARSON: I do not know of any disadvantages, but there has been no pressure on us to join; and if the Latin American states felt that we should join and wanted us to they would approach us; and if they were to do that we would have to give sympathetic consideration to it. But at the present time we have so many other things on our mind and our international affiliations are pretty extensive that we do not want to take the initiative.



Mr. GREEN: The Right Honourable Vincent Massey in his book on "Being A Canadian" points to some disadvantages that would fall to Canada from joining the Pan-American Union. It would seem that the subject is one which should be given very careful consideration.

Hon. Mr. PEARSON: I have read that book and that chapter and with all deference to my old chief I doubt that the disadvantages would be as great as he expects and as he outlines.

Mr. MACINNIS: What staff have we in Yugoslavia at the present time?

Hon. Mr. PEARSON: We have a Minister and one secretary and a military attaché.

The CHAIRMAN: Are there any more questions on the Pan-American Union?

Mr. FRASER: Yes. The minister said that all countries of South and Central America belong to the Pan-American Union, what about British Guinca?

Hon. Mr. PEARSON: No, no dependencies or colonies.

Mr. FOURNIER: Are we completely informed with respect to developments in these South American countries?

Hon. Mr. PEARSON: Yes. We get that information through various sources. We belong to some of the inter-America technical organizations affiliated with the Pan-American Union. It is a definite practical advantage for us to belong to such things as the Inter-American Hygiene Bureau and other organizations where we can get an exchange of information.

Mr. FLEMING: I had a question arising out of the one put by Mr. MacInnis.

The CHAIRMAN: Mr. Fraser has been trying to speak.

Mr. FRASER: How are we fixed with regard to our shipping—bottoms going down into Central and South America? Are we all right in that regard?

Hon. Mr. PEARSON: I don't know the details there; perhaps Mr. Moran our Assistant Under-Secretary who has charge of our Economic Division could answer.

Mr. MORAN: There is an overall surplus of Canadian bottoms. There are a number of companies, such as the Montreal Shipping Co., which are always seeking cargoes and are quite willing to go wherever cargoes are available.

The CHAIRMAN: I have read some articles suggesting that in connection with the Pan-American Union Canada was following or being influenced indirectly by Great Britain. Would you care to comment on that?

Hon. Mr. PEARSON: That is not the case. The British have never advised us on this matter one way or another and they have never suggested what we should or should not do.

Mr. MACINNIS: Has the political situation in Yugoslavia changed to the degree that it might be desirable to have a larger staff there for the sake of obtaining information?

Hon. Mr. PEARSON: Yes, I think it has. It is a matter to which we will have to give serious consideration. Yugoslavia is one of the most important centres of European politics.

Now that mention has been made of Yugoslavia, I would like to deal with the matter which Mr. Graydon brought up in the debate last night and which I forgot to answer. It was getting close to eleven and I neglected to reply to two or three questions.

Mr. Graydon suggested that we should have been franker with the people of Canada regarding our attitude on elections to the Security Council and whether we did or did not vote for Yugoslavia. I would like to point out in that connection, that the provisions in the Charter of the United Nations, and the rules of procedure for secret voting in the case of the Security Council and other organizations, were matters which you will probably remember caused



a good deal of discussion in San Francisco. At that time we were inclined to think the preferable procedure would have been to have a nomination committee and then an open vote on the slate. The other course was taken, however, and the argument which was advanced in favour of secret voting was that certain states, who are not as fortunate in their neighbours as we are, might find it a little difficult to vote openly on elections of this kind; if voting were to be free, there should be no intimidation and voting therefore would have to be kept secret, especially in regard to the Security Council. We felt that we should observe the decision. If, however, countries announce who they are going to vote for three or four weeks in advance, and then start lobbying for the particular candidate, the merits of secret voting disappear. You will recall that the United States, at the beginning of the Assembly, said that they were going to vote for Yugoslavia. We have tried to observe the rule of secret voting and have never declared who we were voting for. We may have to change the policy if the rule is going to be a dead letter. If it is not going to be a genuine secret vote then I think we should say who we are going to vote for.

On this occasion we were in a dilemma. A secret vote, if ever desirable, was certainly desirable in the case of this particular election—whether we were voting for Czechoslovakia—the Soviet candidate, or Yugoslavia which would have been the Soviet two years ago but certainly was not the Soviet candidate on this occasion. I may say that the government had some difficulty in making up its mind what it should do and it was left to the delegation on the basis of when the delegation made up its mind it would communicate with the government and receive the necessary authority.

I wish that this was off the record because I could talk very much more frankly.

MR. MACINNIS: If the Minister wishes the matter to be confidential it could be heard off the record.

HON. MR. PEARSON: I will go ahead. This is an open session and I can say that the argument in favour of Czechoslovakia, which was put forward to the Canadian delegation and other delegations, was that there had been a general convention growing up in the United Nations that certain groups would be elected to the Security Council. We had never accepted that convention in so far as its application to the commonwealth was concerned. In two elections that had taken place there had been commonwealth countries standing against each other. In the first election it will be recalled that we got a majority in the first ballot but we did not get the necessary two-thirds and Australia came up behind to nose us out. In the second election India stood, so there has never been the type of bloc that has existed in the case of Latin America. They choose a candidate and they all vote for that candidate. The U.S.S.R. has been faithfully following the procedure and they have voted for whatever Latin American has been put forward. They voted for us on the understanding that we were a commonwealth bloc candidate and they claim that they are entitled to their second voice on the Security Council. They are always in the minority and they feel they ought to have one more voice, and on that understanding they felt that we should vote for Czechoslovakia.

It was not an unreasonable argument. It might have made more impression if it had not been for Mr. Vishinsky having a press conference two days before and trying to bludgeon us into voting for Czechoslovakia, and saying that if we did not we would be breaking the charter. As a result of a variety of circumstances, including the disappointment which it would have caused in Yugoslavia if she were defeated, and the weakening it might entail there to Tito's position and his courageous stand against U.S.S.R. interference, most of the countries decided, as you know, to vote for Yugoslavia. We voted for Yugoslavia on this occasion.

Mr. GRAYDON: I raised the question because both the United Kingdom and the United States had announced who they were voting for beforehand.

Hon. Mr. PEARSON: The United States raised the matter quite openly and the United Kingdom let it leak out. Now we have let it leak out after the event.

Mr. FLEMING: I would like to ask a question on a little broader basis than some of the questions that have been put in the last few minutes. Would Mr. Pearson review our present diplomatic setup in the other countries behind the iron curtain. You have dealt with Yugoslavia but I wish you would deal with the other countries.

Hon. Mr. PEARSON: In Poland we have a chargé d'affaires. He has been there three and a half years. We have a secretary, and a military attaché—just one service attaché. In Prague we have the same setup, a chargé d'affaires, a secretary, and a service attaché—I think he is an air attaché.

In the other iron curtain countries we are not represented at all. In Poland, Czechoslovakia and the U.S.S.R. we are represented.

Mr. FLEMING: How are diplomatic problems handled in the other countries behind the iron curtain where we have no representatives?

Hon. Mr. PEARSON: In countries like Bulgaria and Rumania, if we have any Canadian problems requiring an approach to those governments—and it happens very rarely because they are completely sealed off—we make use of the United Kingdom diplomatic missions.

Mr. FLEMING: The United Kingdom has diplomatic representation in all those countries?

Hon. Mr. PEARSON: Yes and so has the United States. Mr. Heeney reminds me that we, on one or two occasions, have availed ourself of the good offices of the United States representative.

Mr. FLEMING: Would you care to enlarge on the way in which our diplomatic relations are developing in those countries where we have representatives now?

Hon. Mr. PEARSON: I can say this. In the last year it has not been any easier to develop our contacts in those countries or to carry out the normal work of a diplomatic mission. I am thinking of Poland and Czechoslovakia, and that is because of the increasing fear in those countries of any foreign contact on the part of the people, and because of increasing Russian invasion of their government.

Mr. FLEMING: Is it worth while, in your opinion, to continue having diplomatic representation?

Hon. Mr. PEARSON: I think it is worth while to continue on the present skeleton basis.

Mr. FLEMING: For the present?

Hon. Mr. PEARSON: Yes.

Mr. McCUSKER: Are our representatives familiar with the language of the countries wherein they serve?

Hon. Mr. PEARSON: In most cases they are; we encourage that. We have been fortunate in the linguistic ability of some of our officers abroad. In the past we have probably had a higher percentage of officers in Moscow who understand Russian than has any other Anglo-Saxon nation. In Belgrade our representatives are very familiar with the Yugoslavian language. The same situation applies in other countries.

Mr. Low: You mentioned that General Pope is to be Canada's representative in the Bonn government. What will be his rank?

Hon. Mr. PEARSON: As the Bonn government—the government of western Germany is not a full sovereign government, he will not be an accredited ambassa-

dor. That country is still under military occupation and I think we shall have to call him the head of the Canadian mission accredited to the high commission—that is the Allied High Commission.

Mr. McCUSKER: Does he retain his rank when he becomes a civil servant?

Hon. Mr. PEARSON: He will be a civilian official. A general always retains his military rank.

Mr. McCUSKER: Take, for example, General Victor Odlum who was at one time in Turkey, is he a more useful representative because he is a major general or is he less useful? I am not speaking of the man personally, I am speaking of whether his rank increases his efficiency or otherwise.

Hon. Mr. PEARSON: I think in certain countries the use of a military title does not do one any harm. I do not think it will do you any harm in Germany. Our representative there will still be Major General Pope, and he will still be nominally the head of our military mission in Berlin. We will need only one rather junior officer now, but General Pope will do both jobs. He will be head of the military mission in Berlin, and he will be accredited to the Bonn government where his headquarters will be.

Mr. FLEMING: But there are two officers there in addition to General Pope. Will one be removed to Bonn?

Hon. Mr. PEARSON: Yes, and one will remain with the military mission in Berlin.

Mr. GAUTHIER (*Portneuf*): There are one or two points that I want to discuss, and the first of them is in connection with Mao Tse-Tung. Although this man was directed from Moscow he has shown a few signs of independence towards Russia in two or three instances, and I would like to know if we can foresee that after he has cleared everything from his path that he will still show the same independence toward Russia and would not be directed or ruled by Russia after he has been definitely established in power. And the second point is, that family affairs in China have always been closely connected with internal and international affairs there, everyone will admit that. For centuries there has existed a very interesting triangle which even today is to be observed there and which should be watched by the United Nations. I believe, and if my information is accurate, I think that there is a big banker by the name of Soong who is the uncle of Miss Soong one of the main officials of the present communist governments, and sister of Mrs. Chiang. That is a very interesting triangle to watch. I think my information is correct and that is a very interesting situation to watch before taking any steps.

Hon. Mr. PEARSON: It is, of course, and there may be other developments of that kind which will be very interesting and which should be taken into consideration in the formation of government policy. The fact that it is reported that the Chinese air lines have gone over to the communist government and are now operating under the communist government is of some significance. Whether in fact the Chinese communist government will become an independent nationalist government along the lines of what Tito is trying to establish in Yugoslavia is a question.

The lessons of history which may or may not apply in 1950 indicate that China has usually been able to absorb its outside influences; but sometimes it has taken from fifty to one hundred years to do so. I have really no fixed opinion, myself, as to what will happen. We must all hope that whatever government is in power and recognized in China, will be independent and national.

Mr. FLEMING: Is it the government's intention, if they decide to recognize the communist government at Peking, to do so without consulting Parliament, or is it their intention to consult Parliament first?



Hon. Mr. PEARSON: I have no idea. But if Parliament is not sitting, and Canada seems to be required, if there is an agreement among a lot of countries to take action at a certain time, the government might find it necessary to take that action. But, if Parliament is sitting, I should think they would, at least, want to inform Parliament of what they were contemplating.

Mr. FLEMING: But not necessarily to seek the approval of Parliament before extending recognition?

Hon. Mr. PEARSON: I do not know whether the government would feel it necessary or desirable to have Parliamentary approval before a step of that kind.

Mr. FOURNIER: What is the custom in that respect in Great Britain?

Hon. Mr. PEARSON: Normally, I think, in Great Britain, the government would take the necessary action and then inform Parliament of what it had done.

Mr. FLEMING: But in Great Britain the Parliament frequently debates external affairs. There the government is always in touch with the feeling of Parliament on any issues in external affairs.

Hon. Mr. PEARSON: I think it has been some time, in Great Britain, since they have had a two day debate on external affairs. But they do spend more time on international affairs.

The CHAIRMAN: In Great Britain, Parliament sits nearly the year around.

Mr. FLEMING: I am thinking of the custom of having certain days set apart for the discussion of specific subjects such as external relations.

Mr. MACINNIS: Mr. Churchill said yesterday in the British House of Commons that the action there would be that the government would recognize or would not recognize, as the case might be, and then inform Parliament. He suggested that they should do so in consultation with the commonwealth countries and the United States.

Hon. Mr. PEARSON: The government has already had the advantage of the very useful discussion of this particular matter during the last two days.

Mr. GRAYDON: I think that most nations would take a pretty sympathetic approach to the United Kingdom's problem in China, because it is a pretty acute one, having regard to the last outpost in the east, Hong Kong, being where it is; and I suppose while that has been one of the considerations motivating the United Kingdom's attitude towards China, it would not motivate any other country which had a less acute problem at the very front door of China.

Hon. Mr. PEARSON: I think it is quite true that the United Kingdom has a very special interest in this problem because of its territorial possession.

Mr. GREEN: And also because of its heavy interests in China.

Hon. Mr. PEARSON: Yes, because of its very great interest.

Mr. GREEN: Canada has a great interest in China too.

Hon. Mr. PEARSON: We have indeed.

Mr. GRAYDON: Might I ask the Minister if the proposal, which I suggested in the debate on external affairs, meets with any approval in his department: that we ought to get rid of the clumsy title of Under-Secretary of State for External Affairs?

Hon. Mr. PEARSON: It certainly meets with my most hearty approval. In fact, I very often sign my letters: Minister of External Affairs; because it saves time and money.

I hope that we might make that kind of change, but it would require a legislative change. I hope that can be done. It should be a fairly non-contentious bill, I think.

The CHAIRMAN: That subject will be discussed again before this committee and we will likely report on the suggestion.



Hon. Mr. PEARSON: We may wish to have the External Affairs Act reviewed before long. There are other changes we would like to see made in that Act, and possibly we should include this change along with them.

Mr. FLEMING: Should we use the expression "External Affairs" rather than "Foreign Affairs"?

The CHAIRMAN: I feel it is more Canadian to say "External Affairs", and, besides that, the Canadian people are more familiar with that expression than they would be with "Foreign Affairs".

Hon. Mr. PEARSON: "Foreign" is not quite the right word to describe our relationship with the countries belonging to the commonwealth of nations.

Mr. FLEMING: A lot of our external relations are not foreign relations at all.

Hon. Mr. PEARSON: Quite so!

Mr. GRAYDON: That principle, perhaps, would be the governing factor in connection with the name. That is why I suggested that we use the expression "Minister of External Affairs".

Mr. McCUSKER: Might not the redundant part of that title be dropped, in the same way as "British" is dropped from "Commonwealth"?

Hon. Mr. PEARSON: "British" has not been dropped yet; it has just been, sort of, suspended.

The CHAIRMAN: Are there any further questions?

Mr. FRASER: I think we should ask a question on the money end of it. I see in the main estimates there is an increase of \$193,000 and some odd dollars; and I see in the further supplementary estimates there is an increase of \$117,500, of which \$100,000 is for postage. Why would that postage come in, in that amount, after the year really was up?

The CHAIRMAN: If I may be allowed—I do not want to curtail discussion of any kind—but to me, this appears to be more of a straight departmental question. I have no objection to its being answered, but I think we should bear in mind the fact that the Hon. Mr. Pearson is with us, and I think it would be the consensus of opinion that the committee should discuss the whole picture of the External Affairs Department first.

Mr. GREEN: Would the Minister be available this afternoon?

Hon. Mr. PEARSON: I will be very glad to be here this afternoon if the committee so desires.

The CHAIRMAN: After the Minister has given his general answers, we can go over the items.

Mr. FRASER: You will go over the items again?

The CHAIRMAN: Yes.

Mr. HARRIS: Have we not discussed the policy end of it already?

Mr. FLEMING: No. There are a number of questions which I wish to ask.

The CHAIRMAN: It is getting near one o'clock. Can we arrange a meeting for this afternoon? What about 3.30 or 4 o'clock?

Mr. FLEMING: Let us say 3.30.

The CHAIRMAN: Is that agreeable?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: The committee stands adjourned until 3.30 o'clock this afternoon.

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## AFTERNOON SESSION

The CHAIRMAN: I will call the meeting to order.

I believe that all of our members will agree that we had a very interesting session this morning and experience in the past leads me to believe that such will be the case at this meeting and at all other sittings.

The Minister has not informed me of his wishes but I believe if we could get through with him, without undue celerity of course, he would appreciate it.

Mr. FOURNIER: This morning when we were discussing the Pan American Union, and while the Minister was answering some questions put to him, he mentioned the fact that the United States Government at first did not favour the entry of Canada into that union. He said that after a while they modified their opinion and today they would be prepared to accept us. I wonder if it would be possible for the Minister to give to the committee reasons why the American Government had that attitude and why they changed it?

Hon. Mr. PEARSON: Well, Mr. Chairman, maybe I can say a few words about that. I do not know, of course, why the American Government would have objected if the Latin American States had invited us to join the union some years ago but I suspect, and I have good reason to believe, that they were cool to the idea. I am now talking about the late 1920's and the early 1930's.

Mr. COLDWELL: Didn't President Coolidge issue an instruction to the delegation?

Hon. Mr. PEARSON: Yes. I suppose it was unfortunate that in the publication of a volume of their state papers they allowed to be included an instruction of their Havana delegation. I forget the date.

Mr. COLDWELL: 1927.

Hon. Mr. PEARSON: Yes, and in that instruction which appeared in print, there was a suggestion—more than a suggestion, a statement—that, if the question of Canada's membership in the union arose, the United States was going to adopt what might be called a negative attitude. We have reason to believe, although we have not any official statement from the United States Government, that now the attitude would be different. I think the reason is, but I am not interpreting the policies or views of the United States Government, that they have changed their view because in the earlier days they may have felt that Canadian membership in the Pan American Union would be interpreted by some people as introducing a European element into the union. Our association with Great Britain was so close that some people feared that we would be the mouthpiece of Great Britain in the Pan American Union, and that was not favourably received. I think events in the last fifteen or twenty years have removed any fears or hesitations on that score, and that there would be no embarrassment created if we were members of the Pan American Union. In other words, although our association with Great Britain is as close as it was then, the nations of the western continent have learned that we are a power in our own right.

Mr. COLDWELL: Do we want to join the Pan American Union?

Hon. Mr. PEARSON: My answer this morning was that we were not initiating steps towards that now. We feel that the present situation is more or less satisfactory, but, if there was any strong feeling that we should join we would take the matter into consideration.

Mr. GRAYDON: I think the Minister said that we belonged to quite a few international clubs now?

Mr. FOURNIER: It would be more diplomatic if we waited until an invitation came.

Mr. GRAYDON: Quite.

The CHAIRMAN: Are there any other questions?

Mr. GRAYDON: Could we make some inquiries of the Minister, Mr. Chairman, with respect to the present situation in Japan. I understand that we have a very good representative in Japan from our own External Affairs Department and no doubt he is keeping the department fully informed with respect to the situation there as it is rapidly developing.

I suppose there are two things which would come to one's mind in the way of inquiries to start with. First is the possibility of an early peace treaty, which the minister did deal with in a certain way when he spoke the other day in the House, and the second matter is what progress, if any, has communism made and what is the method being employed or what instruments are being used in Japan by the Soviets to forward their communistic moves.

Hon. Mr. PEARSON: I cannot say as much about the matter as I would like. There are some things that I should not say in public. I am not as well informed as I should be on that particular subject because I have been out of touch with it for a couple of months. We have a very good office in Tokyo from the point of view of reports. Our representative in Tokyo is one of the best informed; he speaks the language, knows the history, knows the tradition, and is accepted in a way that no other foreign representative is accepted. He keeps us well informed as to the developments. His name is Mr. Herbert Norman.

There was, of course, after the occupation of the country by the American army, a remaining nucleus of a communist party. That party was organized, and of course controlled in its leadership by Moscow trained persons. It was not, so far as I can remember, making very much progress although conditions in Japan were very difficult.

The occupation policies by and large seemed to meet a good deal of public acceptance in Japan and communism was not growing as fast as you might have expected it to grow in a country which had received such a severe beating. There has been a change, to some extent, in recent months, on the return of Japanese prisoners from Russia. It is a strange development, and I do not pretend to understand it, but these Japanese prisoners who might normally have been expected to be not too friendly towards Russia after their experience in Russian camps returned—some of them—as convinced, doctrinaire communists. It may well have been, and probably was, that they were singled out among prisoners for special treatment, and they were returned to Japan after indoctrination and special treatment to spearhead the communist rise in Japan. That situation seems to be pretty well under control, that is as far as one can gather, but it is a danger in that the spread of communism from north east Asia must have had some effect on the communist movement in Japan. The communist government recognized in China might very well be a means of encouragement to communism in Japan, and might even hold out to the Japanese people a very favourable peace treaty if they would only introduce into Japan the right kind of rule. That no doubt is a source of embarrassment to the occupation authorities and something they no doubt will have to take into consideration in the negotiations and preliminary work on a peace treaty.

Mr. MACINNIS: Is there any danger from the other side of the totalitarian axis in Japan?

Hon. Mr. PEARSON: I think, of course, although Japan has given every appearance of having thrown off the feudal military system of government which led them into the last war, the remnants of that ideology undoubtedly remain. It is not a factor that you can dismiss as of no importance. I think the extremism on the right is undoubtedly underground and it is something that those responsible for the Japanese settlement must take into consideration. The Japanese people alone can deal with that, I mean either the left or the right,



but we can only hope that between the extreme right and left elements there has been developed a broad Japanese democracy on which the Government of Japan can be based when the peace treaty is signed and the occupation is ended.

Mr. FLEMING: Do reports which your department receive confirm the rather glowing statements made by General MacArthur with respect to the progress made by democracy in Japan, or do you think they are optimistic?

Hon. Mr. PEARSON: Well I would not want to criticize General MacArthur in any way, shape or form, because I think he has done a pretty magnificent piece of work there. However, I think it would be natural for the occupation authorities in Japan, or in any other country, to give the brightest possible picture of the result of their work. Some people think the situation is not quite as satisfactory as the reports from the occupational authorities would indicate.

Mr. GRAYDON: I suppose, looking in the future, you cannot overlook the factor or influence and power of the emperor. Is he still the factor he was?

Hon. Mr. PEARSON: He undoubtedly is a factor but he is a factor that has now, I hope, been harnessed to the forces of democracy, if I may use that expression. That is the objective; that is the purpose.

Mr. COLDWELL: Does it not depend, as it does in the rest of Asia, on the raising of the standards of existence of the mass of the Japanese people?

Hon. Mr. PEARSON: I think that is a basic factor in every country in the far east in relation to the increase of communism. It is a platitude but it is true to say that communism feeds on distress, privation, and starvation, and if those conditions exist in Japan—and I am not suggesting they exist now—but if they do, then that of course will be a great encouragement to the communists and will result in an increase of subversive forces on the left and possibly on the right.

Mr. MACINNIS: You mentioned that communist China might be able to offer Japan a very favourable peace treaty. Could China offer a more favourable peace treaty to Japan than the western powers, or could we at this stage make a hard peace treaty?

Hon. Mr. PEARSON: I should not have put it that way, that the Chinese Government would offer a peace treaty. They are not in a position to do that. I should have put it this way. They will hold out the right hand of fellowship.

Mr. FLEMING: It would be the left hand if it were communist.

Hon. Mr. PEARSON: . . . to a progressive Japanese Government. Let me put it that way. They cannot, of course, make a peace treaty with Japan alone because Japan is not in a position to make a peace treaty with anybody except the allied occupation authorities and the other allied states.

Mr. BAXTER: Is there any winding up of the American occupation at all?

Hon. Mr. PEARSON: There is a gradual easing of the occupation, but as far as I remember no great change has taken place yet. I would like to suggest that we have officials in the department—they cannot talk about policy matters—who are experts on this subject and might be able to come before the committee and give a factual statement of what has happened, and it might be of some interest to the committee to have such an explanation given.

Mr. GRAYDON: Is there any possibility of Mr. Herbert Norman being in Canada in any near future time?

Hon. Mr. PEARSON: I do not think so, but we will find that out. The acting head of our far eastern division is also extremely well informed on far eastern questions.

Mr. GRAYDON: Who is the head of that department?



Hon. Mr. PEARSON: A. R. Menzies is the acting head of the American and Far Eastern Division.

Mr. GRAYDON: May I ask the Minister this question: if the problems of China and Japan are linked as well with the growth of communism in the far east, is there not also a very serious and acute problem, one which exists in Korea itself? The southern part of Korea has been pretty well left to the Koreans, while the northern part, which was divided at the time of occupation, is still in the hands of the Soviets. Is there any recent information as to whether or not there is likely to be any coup d'etat there, because the southern part of Korea would look to be a pretty vulnerable spot today to any northern advance?

Hon. Mr. PEARSON: The border between south and north Korea is one of the places where the eastern and western world are actually facing each other. Another such place is the northern border of Greece. The situation in north Korea is not very clear. The Korean government claims they have withdrawn all their forces and that a people's democratic government has been set up which is running the affairs of north Korea, and which is really the government of all Korea.

Mr. GRAYDON: It is, of course, a communist government?

Hon. Mr. PEARSON: It is a communist government, I should think, which is under complete Russian control, although, perhaps, that is an understatement. The southern Korean government has been set up under United Nations auspices as a result of elections which, I suppose, were free in terms applicable to Korea, where they have not had an opportunity to develop democratic electoral procedure for a great many years. However, it was an election wherein the people were given an opportunity to express their wishes; and they returned a government under United Nations auspices, and it is that government which the United Nations recognizes today as the Government of Korea. It is not a government for all Korea, because, while it had been hoped that the election would cover all Korea, nevertheless the Russians would not let them into the north. So, the result is that we have two governments.

United States forces have been withdrawn almost entirely from south Korea. There is a south Korean army to which is attached a United States Military Mission. There is a good deal of United States military equipment in Korea, and they claim that they would be in a position to take care of themselves if they were merely protecting themselves from north Korea. I do not like to speculate on what might happen out there, because it is a difficult part of the world to talk about.

Mr. LEGER: What is the situation in Turkey with regard to western Europe?

Hon. Mr. PEARSON: They are quiescent at the moment. So far as I know, the Turkish people are in a state of preparedness. The amount or proportion of their budget which Turkey devotes to defence is very high; and the fact that they have to spend so much money on defence is a factor of great economic importance to them. There have not been any new and unpleasant border instances, or anything like that, that I know about.

The basic difficulty between Turkey and the U.S.S.R. remain, and it is the desire of the U.S.S.R. to make some arrangements with the Turks by which the U.S.S.R. would get a share of the control of the waters leading into the Mediterranean from the Black Sea.

Mr. LEGER: And what is the situation in Jerusalem?

Hon. Mr. PEARSON: That is a matter which is being discussed at the United Nations at the moment.

The CHAIRMAN: Pardon me, but would you allow me to read a letter which I have just received from the Speaker. It reads as follows:

"Dear Mr. Chairman,

Field Marshal the Earl Wavell is calling on me this afternoon at four o'clock, at which time I am giving a reception for him in my Chambers. I am taking this opportunity of extending an invitation to all the members of your Committee to come and meet Field Marshal Wavell. If this can be arranged, I assure you that I will be pleased to see all of you.

Sincerely yours,

(Sgd.) W. ROSS MACDONALD,  
*Speaker."*

I suppose we could go there for fifteen minutes at the most, and then come back again, if there is no objection on the part of the Minister and the members.

Mr. McCUSKER: How about bringing Field Marshal Wavell up here and questioning him?

The CHAIRMAN: It is now about five minutes to four, and I believe it would be in order for the Minister to answer Mr. Leger's question, whereupon we will go to the chambers of the Speaker.

Hon. Mr. PEARSON: The situation at the moment in Jerusalem is a matter on the agenda of the United Nations, and is being discussed there. At the present time, the Israel authorities are in control of part of Jerusalem, and the Transjordan authorities are in control of the other part.

Mr. LEGER: The English have charge of the Holy Land?

Hon. Mr. PEARSON: No; the British have no authority in Jerusalem at all. The holy places are under the control, I gather, of the Israel or the Transjordan authorities.

The United Nations Commission which has been in Israel produced a report making certain recommendations for the future government of Jerusalem. According to those recommendations, that city, I think, would become an international community under some kind of international control.

The government of Israel has opposed the recommendation and will oppose it at the United Nations, and will probably submit some kind of alternative proposal by which the holy places, which are the main preoccupation of the rest of us, may be brought under international control not only in Jerusalem but throughout Israel, or something of that nature; while the government of Israel will be in control of Jerusalem itself. What kind of solution will emerge from our discussions at the United Nations, I do not know.

Mr. GREEN: Has any progress been made towards the setting up of an international police force?

Hon. Mr. PEARSON: No progress at all; and that is, in a few words, due to the obstructionist tactics of the U.S.S.R. in the committee which considered this matter in the security council. When Mr. Trygve Lie, Secretary-General of the United Nations, asked the United Nations assembly this year to support a very modest resolution for the establishment of a security force of 250—not more than 250—merely to protect the United Nations commission and United Nations work—and there have been casualties among those commissions, notably the case of Count Bernadotte—the resolution was violently opposed by the U.S.S.R.; and Mr. Vishinsky made one of his most energetic speeches against it.

Mr. MACINNIS: Is there any difference between his speeches?

Hon. Mr. PEARSON: Yes, there are differences in his speeches. Some of them are energetic without any humour; others, which are energetic, have humour; and this was one of the latter kind. Mr. Vishinsky painted a very amusing picture of the Secretary of the United Nations, mounted on his white horse, boldly

leading forth his 250 soldiers into the far corners of the world. The resolution, however, has passed, but that is all we have in the way of an international police force at the moment.

Mr. GRAYDON: And how is recruiting for that force going along?

Hon. Mr. PEARSON: No Canadian applications have yet been received.

The CHAIRMAN: We will now suspend our sittings for fifteen minutes.

The committee resumed.

The CHAIRMAN: Gentlemen, we will now resume the meeting. Somebody suggested that the speaker should have that kind of intermission at every sitting. We think so too.

Mr. COLDWELL: I was asking about Greece and Yugoslavia before we adjourned.

Hon. Mr. PEARSON: The situation on the Greek border and the relation between Greece and her northern neighbours was given a very thorough airing at the United Nations Assembly with some very violent anti-Greek speeches being made by the U.S.S.R. During the course of this hearing we heard representatives from Bulgaria and Albania as well as those who were representatives on the committee, and the committee passed a resolution extending the Balkan Commission for one more year to keep watch on the borders. It became very clear during the hearing that the guerrilla bands in the northern and other parts of Greece had called off their activity and for purposes which are not quite clear their policy now is to accept the decisions, accept the victory of the Greek government forces on the battlefield and to quieten their activities, but these forces are still in being. They have slipped across into Albania and Bulgaria. However, the situation is quiet there and the Greek government is in a much better position. Now, during the assembly there was an effort made to work out some form of conciliation between Greece and her northern neighbours and a committee was set up which consisted of the president of the General Assembly, the secretary-general of the United Nations, the delegate of Turkey, and myself to consult the U.S.S.R., the United Kingdom, Greece, Albania, Bulgaria and Yugoslavia to see if we could work out a conciliation, a process of mediation, by which a border commission would be set up to watch the area while diplomatic relations would be restored, and generally to meet the situation if we could. That effort at conciliation and mediation, which was a serious one, broke down and, of course, there has been an effort on the part of the U.S.S.R. to say that the breakdown was due to the Greek government. It was not. The immediate cause of the breakdown was the inability of Albania and Greece to agree on any solution of their territorial boundary problems. The Albanian government said they would not sign any agreement with Greece which did not include a renunciation by the Greek government of northern Epirus which is now part of Albania. All of this was not a subject for this kind of discussion at all. We tried to incorporate in this agreement the fact that the Greek government renounces the use of force in connection with the boundary dispute and the Albanian government would not go along on that, and that caused the breakdown. There were deeper causes but that was the occasion. As long as the feeling between the Greeks and the U.S.S.R. is so bitter, there will be less guerrilla activity in Greece than there has been, in accordance with the new Russian policy in that area to settle their difficulties with Yugoslavia first.

Mr. COLDWELL: That is, Yugoslavia is not a base now for Greek guerrillas?

Hon. Mr. PEARSON: No, Yugoslavia is not co-operating with the guerrillas. Yugoslavia has improved its relations with the Greeks.

Mr. GRAYDON: Since we seem to be going around into the Mediterranean, I would like to suggest that there has been a good deal of discussion with respect



to the return of the Italian colonies, and the general situation in the Mediterranean as it relates to Italian aims and claims at the moment. I wonder if the minister would feel free to elucidate that for the committee.

Hon. Mr. PEARSON: I think that has been one of the achievements of the United Nations Assembly. We succeeded in getting through our committee a few days ago a resolution that got a very large majority, in fact, more than the necessary two-thirds. This resolution provides for the settlement of the Italian colonies question. You may recall that at the last assembly we were not able to do it. The reason it was impossible to get a two-thirds majority at that time was the feeling of the Latin American states that some recognition must be given to Italy's claim to some African territory in some form and that was not agreed to by others. They would not allow a settlement of any of the territories. This year the assembly has recommended and it will be put into effect that Libya become an independent state in two years, and that during that time a United Nations commission work with the administering authorities arranging the basis of the new constitution. There was some objection to that. The U.S.S.R. wanted Libya to be independent at once.

Mr. MACINNIS: They were not ready for independence?

Mr. GRAYDON: There would be a chance for some chaos in that proceeding.

Hon. Mr. PEARSON: The British were a little worried that this decision of the United Nations would mean that the Cyrenaicans would not be allowed to have their own form of government in the Tripolitanian state and the British have a special obligation to the Cyrenaicans. However, the British have accepted this, and the commission will be appointed and will advise the British authorities how to carry out this undertaking by which Libya becomes an independent state. We will have a new Arab state in two years. The other two colonies are Italian Somaliland and Eritrea. No agreement was possible on Eritrea. Some delegations thought that Ethiopia should be joined to Eritrea and others thought that Eritrea should be independent, and therefore we decide to send out a commission to ascertain the wishes of the Eritreans. It looked for a time as though Canada was going to be on that commission. We were nominated for it but there were two or three other countries who were anxious to be on and we withdrew in favour of Africa. In Italian Somaliland, the solution is that Italian Somaliland is to be given independence in ten years, and meanwhile it is to be a territory under Italian administration. That gave the Latin Americans what they wanted; it gave Italy a trusteeship in Africa but for ten years only.

Mr. GRAYDON: Abyssinia has been opposed to all this.

Hon. Mr. PEARSON: No, they separated the Lybian solution. They were opposed to the Somaliland and Eritrean solutions. They felt that their interests in that part of the world were not sufficiently recognized in that solution.

Mr. McCUSKER: Where will Italy find an outlet for its surplus population?

Hon. Mr. PEARSON: I do not know, not in Italian Somaliland. We had some very interesting information on Somaliland from delegations which came from there. They were interesting appearing and interesting talking gentlemen. One organization was called the Somali Youth League, the antecedents of which are not above suspicion, claimed that immediate independence was the only thing that would prevent bloodshed. When their representative was asked how many people his organization represented, he said, ninety-five per cent of the population. When he was asked who was paying his expenses in New York, he replied the members of the Somali Youth League. He was succeeded on the witness stand by a representative of the Somali organization for Italian trusteeship. That is the name as I remember—I forget its name exactly. He

was asked how many people his organization represented and he replied ninety-seven per cent. When it was suggested that it was difficult to reconcile these two factors, he shrugged his shoulders, and when he was asked how many people there were in Somaliland, he said that was a statistical matter of which he had no knowledge. And when he was asked where he had been on the way from Somaliland, on the way to New York, and whether he had been spending a lot of time in Rome, he replied: "All roads lead to Rome".

Mr. LEGER: Would you say that the international situation is much better than it was a year ago?

Hon. Mr. PEARSON: Well, that is a pretty big question on which to toss off a careless answer. I think it is brighter and I think the main reasons for that improvement are the successes of the Berlin air lift in defeating the blockade of Berlin—these are not in order of importance—and the economic improvement in Europe, and the steps that have been taken towards economic unity. More important, I think, than the other reasons is the formation of the North Atlantic Alliance which has, I think, made a very considerable impression on any aggressive forces in Europe, because, I think, it has convinced some that they would meet collective resistance. I think the building up of the armed strength of Europe is also a factor in the improvement. All these things, I think, have decreased the tension in Europe but that improvement does not seem to have extended to the far east.

Mr. LEGER: Would you say that the Russian resistance is just as great as it was?

Hon. Mr. PEARSON: Russian resistance?

Mr. LEGER: Yes.

Hon. Mr. PEARSON: Resistance to what?

Mr. LEGER: Towards—

Hon. Mr. PEARSON: There are no signs visible that the Russian attitude in respect of all the controversial questions that confront us has changed at all, but I think the fact that the Russians know that the Western world is united in resistance to unjust claims is a very important factor in holding them back. I was reading again the other day an article in a magazine called "Foreign Affairs" entitled "Coalition for Peace" and I came across this paragraph which I think is a very important analysis of the position. This was written in 1948 in October. It is an article by a man named Hamilton Fish Armstrong, the editor of the magazine, a wise commentator on international affairs, and he said at that time:

...the present risk of war seems to me to come chiefly from allowing the world to continue in a twilight zone where one side assumes that collective security exists and the other counts on taking advantage of the fact that it does not. The danger that Soviet Russia will deliberately choose to make war on the west does not at the moment seem so strong as the danger that the credulity and arrogance to which all dictatorships are prey will mislead her as to the limits of our tolerance and that in her ignorance she will commit an act so little different from aggression that we shall inevitably adopt counter-measures, with unpredictable results. A prudent course, then, all other considerations aside, would be to put Stalin on notice that we and others are determined and able to meet force with force.

And I think that has been done since that article was written.

The CHAIRMAN: You think this has been done?

Hon. Mr. PEARSON: Yes, and I think they know that the situation is different.

Mr. COLDWELL: I was going to ask you this with regard to the satellite nations: Britain is trading with Poland pretty heavily and also with Czechoslovakia and so on. Is there any indication of the change of attitude on the part of the Polish delegation in regard to Soviet control?

Hon. Mr. PEARSON: The most violent speeches at the United Nations Assembly in support of the cominform position, I think, have been made by the Polish delegates. I think that the example of Yugo Slavia in standing up to the might of the Kremlin has had some effect on the people of the satellite countries, and I think that in turn they have something to do with the rather drastic measures which have been taken recently in Czechoslovakia and which are going on at the present time in Poland and which have resulted in a Russian marshal being made minister of war in the Polish cabinet. That seems to me to be a defensive move instead of an offensive move, and suggests a feeling of uneasiness.

Mr. Low: Is there any change in the attitude of Manuilsky?

Hon. Mr. PEARSON: No, he speaks just the same way. He still has that twinkle in his eye though.

Mr. GRAYDON: May I ask the Minister whether there has been any significant change in Russian approach because Molotov has been moved into another position, and Vyshinsky has taken his place.

Hon. Mr. PEARSON: I see no change whatever as a result of that. We have tried to make appeals to the Russian delegation at this assembly, notably the appeal made by Hector MacNeil the other day. That kind of appeal seems to be pretty useless. Vyshinsky claimed in the meeting the other day we were talking back to them. I think we should talk very frankly to them. It seems to me to be the proper course to pursue.

Mr. COLDWELL: Is there any indication of any of our broadcasting getting through to the Russian people, any reaction?

Hon. Mr. PEARSON: They are making the strongest effort to ban these broadcasts; that, I think, is possibly a measure of their effectiveness.

Mr. MACINNIS: I wonder if Mr. Pearson would care to make any remarks as to the likelihood of political stability in Indonesia following the settlement which has been made there.

Hon. Mr. PEARSON: Well, I would say this, that I consider it a real United Nations achievement to have organized this mediation and conciliation which has been or which is being successfully concluded now at The Hague where they have succeeded in bringing about an understanding as to the rights of Indonesia and the Netherlands governments. I think that that solution, as I said on Wednesday, will result in stability of government in the area, but one cannot be certain of that. It seems to me that the difficulty now will be in the ability of the Indonesian leaders, when they go back to their country, to control their extremist elements.

Mr. MACINNIS: Is there any connection between American occupation and a feeling of general uneasiness throughout the east with regard to the situation as it is developing there now?

Hon. Mr. PEARSON: No, I have not detected any uneasiness of that kind, but I have not really talked to very many people generally about events in that part of the world. We have not reached that item on our agenda yet, we had not when I left. We had been thinking very much about the middle east, the Mediterranean Area, and we will be moving on now to that part of the world.

Mr. GRAYDON: May I ask the Minister if we will proceed with this administrative item? I understand that there is some disposition to deal with representation, particularly item 53. Before we come to that may I ask the Minister if he will deal with this as well. I think it is a matter which is more



keenly in the minds of the Canadian people at the moment than almost any other single thing, and that is the question of moving towards agreement on the atomic control issue.

Hon. Mr. PEARSON: I will be very glad to say a few words about that, and it may be that later you will have an opportunity of hearing from General McNaughton on the subject. It is the number one question before the Assembly.

Mr. GRAYDON: Yes.

Hon. Mr. PEARSON: And it is the number one question before the world; and I was very glad that we had such a good debate down there at Lake Success where the issues are now very clearly drawn. These discussions have been going on for six months now between representatives of the six powers and no progress was made in that group of six which includes the U.S.S.R. on the one hand, the United States, the United Kingdom, France, China and Canada on the other. There has not been the slightest indication of an easing of the different positions. I would say that essentially the positions were hardened, because these talks were technical, as they should have been; they were technical and they were conducted by men who had been working on these very problems for a long time; and I feel it would be a good thing to get this committee working on it, and that is why we welcomed a discussion of the report of the Atomic Energy Commission at the Assembly; and in that discussion I think our position was made not only clear but it was so convincing that I think people in the United States and in our own country are beginning to understand the fundamental difference between the two approaches. The U.S.S.R. delegates have done their very best to distort and misrepresent the situation. They have thrown all the dust they could in the eyes of the world about it. The position is perfectly clear. We say—and by we I mean the five other members of the Atomic Energy group that I have mentioned—that there can be no guarantee, no assurance that atomic energy will be used only for peaceful purposes unless the development and control of this energy is put into the hands of an international authority and all nations agree to turn over their facilities to that authority and accept some form of treaty arrangement which would effectively control all atomic energy facilities under an international authority to which all countries concerned would agree to submit themselves, not only the ones who know about it now but all states. We say also, in addition to international operation—I do not like to use the word “ownership” because it does not sound so well—that this control must be internationally operated in such a way as to enable adequately rigid inspection of what is going on in every country. But once that has been agreed to, and once these measures are in effect, then you can prohibit the use of the atom bomb and you can destroy the stockpiles that any country may have collected. How long will that be? I don't know. You cannot prohibit and destroy until you are sure that your scheme is in operation. You cannot, as Russia says, sign an agreement, or two agreements of that kind, and put them into effect at the same time, because then the United States will have given up control of its most important weapon on the understanding that sometime in the future a control scheme will be made effective. Naturally, we say that until that control scheme is effective prohibition and destruction of atom bombs should not take place. That should not take very long after the signing of such a treaty as has been suggested—perhaps two or three years—until the scheme is fully operative. But the whole scheme must rest on efficiency of inspection to make sure that the engagements which have been undertaken are being carried out.

Mr. GRAYDON: Make sure that there is no bootlegging of the atom.

Hon. Mr. PEARSON: That is right. There should be no bootlegging of the atom bomb. That means that the inspector must be able to go into a country, must be able to go into any plant, must be able to inspect any mine and make

any inquiries that he wishes to make. Now, the Russians say: we believe in international control, we believe that the atom bomb should be outlawed and all existing atom bombs should be destroyed; but we have some of them now to destroy and we want to do that at once. They view it as a great honour to have them to destroy and they want their use terminated, they want to destroy all the atom bombs in the world and say that we will never use them for warlike purposes, and then we will have that control scheme come into effect. They say that they favour control, international control and inspection, but their position is not the same as ours at all, and that is the one great difficulty we face in the application of this scheme. They tell us that they will accept inspection, that you can come and inspect periodically all the facilities which they are prepared to disclose. Now, by "periodically" they mean that you can come at stated intervals and see what you are supposed to see. If an inspector has any reason to believe—or if the international control authority has any reason to believe—that there is something wrong, he can go into that part of the country. Well, that would not give the necessary assurance which would convince people in our country and people in the world that all countries were really observing the engagements they had undertaken. Until we can reconcile these positions it is going to be very difficult to work it all out.

MR. COLDWELL: I may say, Mr. Pearson, that I listened to one of your radio talks from Lake Success about this very matter and I thought you were receding slightly from the position which you had described earlier. I am being quite frank with you in saying that I thought you had as I understood it at least taken a more moderate view.

HON. MR. PEARSON: I suggested in that broadcast that possibly if we could get a one hundred percent effective scheme of inspection, a scheme which would be one hundred percent effective, we might be able to limit to some extent the international control authority.

MR. COLDWELL: That is what I thought.

HON. MR. PEARSON: And leave more control in the hands of each separate state.

MR. COLDWELL: How was that received?

HON. MR. PEARSON: It was not received very well in the United States. It was received with some display in certain quarters.

MR. COLDWELL: That seemed to me to be a reasonable compromise, if we can't get the whole thing by international control. The difficulty is that it involves the matter of ownership, and if we could not get complete and adequate control some lesser measure might be sufficient providing it was complete and adequate.

HON. MR. PEARSON: It might be; and that is one of the things I think we will examine when we explore the resolution which has been passed, asking the six states to keep on working. And one of the things I hope they will be able to discuss will be that second question that you have mentioned, secrecy in respect to atomic activities, and whether any of the security regulations can be lessened in the light of changes.

MR. COLDWELL: Is not peacetime control almost as important as military control because if one uses it indiscriminately it could possibly affect world economy, conceivably.

HON. MR. PEARSON: Yes, it could, but as I see it there are two basic difficulties; one is the Russian state system and their social system which makes inspection of that country by an outside authority impossible. Now, the Russians admit—I was going to say they have admitted everything—that the other difficulty is even more basic; that until we have a restoration of some measure of confidence and trust between the two worlds, any international

control of this basic project is extremely difficult if not impossible. It is part of this general international picture. If that picture improves it will be easier to go ahead with our examination and control of atomic energy.

Mr. GREEN: Is there effective international control of any activities in all countries?

Hon. Mr. PEARSON: Any activities?

Mr. GREEN: Yes.

Hon. Mr. PEARSON: I think the closest to it would probably be the opium control body, narcotic control.

Mr. GREEN: Is that an effective control?

Hon. Mr. PEARSON: No, it is not effective, it is not a hundred percent effective; but it is partially effective at least in that it covers pretty well the whole world.

Mr. FLEMING: I am not sure that I would share the optimism you mentioned about the efficacy of controls in a country the size of Russia. How could you possibly have, today, really effective inspection?

Hon. Mr. PEARSON: Well, I cannot really enlighten you very much on this because I am not technically qualified. When General McNaughton is here he will be able to give you a convincing statement. But you know a plant for the production of atomic energy cannot be produced in a hurry, and it cannot be produced in a plant which can be tucked away where it would be obscure and ignored. It is a tremendous undertaking, and technically I am told that it would be easier to control this particular activity than almost any other kind of industrial activity in the world because of the difficulty in the construction of the plant; and if inspectors could wander around the country and take a peak here and there they would probably be able to know what is going on. You cannot sort of "moonshine" it the way you could a Kentucky still, where you could hide it away in some obscure corner of the woods. It would not be hard to find out what was going on.

Mr. FOURNIER: Is it pretty sure, Mr. Minister, that the Russians have developed an atomic explosive?

Hon. Mr. PEARSON: I think it is pretty sure, yes. If it had not been considered as pretty sure by the three governments most concerned on the basis of scientific advice which they have received, they would not have issued the statement which they issued two months ago.

Mr. FOURNIER: Can we ask you how the American Government could know that there was an atomic explosion somewhere in Russia?

Hon. Mr. PEARSON: Yes, you can ask me that and I can tell you; but I do not know whether I should?

As a layman, and not as a scientist, I am myself quite convinced by the evidence I have seen that the detecting apparatus of not only the United States but of the United Kingdom was quite adequate to detect with almost complete certainty what had happened, roughly where it happened, and when it had happened. I do not think I can go any further than that.

Mr. McCUSKER: I think the press went even farther. The press stated certain aeroplanes with special equipment picked up radio active dust. I do not know whether they were flying a kite or giving actual information.

Mr. GREEN: Would the minister say it is more difficult or less difficult to work out an inspection system for atomic development than it is to set up an international police force?

Hon. Mr. PEARSON: I think those two things would probably run neck and neck in regard to difficulty.



I think if we ever reach a stage where we have enough international trust and confidence and good relations between nations that we can set up an international atomic control or inspections board, we will also be able to set up an international police force.

Mr. GREEN: The inspection board would in fact be a police force.

Hon. Mr. PEARSON: Yes.

Mr. COLDWELL: There was never any doubt that the Russians would discover the principles of atomic energy. The basic knowledge was in possession of all countries in the world before 1939.

Hon. Mr. PEARSON: Well, if you read the statement by Mr. Truman, Mr. Attlee and Mr. King, made in 1945, it stated that the control of atomic energy by any one nation was impossible. They were out a little in their estimate of when the Russians might be able to explode their first bomb, but their estimate was not very far out—a year or two.

Mr. GREEN: Has there been any suggestion that the nations should simply go ahead and develop atomic energy in the same way that they would develop any other invention, lifting entirely the secrecy restrictions? The reason for the suggestion may be that the democracies are in a much better position than the Russians to make the advances?

Hon. Mr. PEARSON: No, I never heard that suggestion. There is nothing, of course, to prevent any nation from going ahead and doing just that if it is able to do so. At the present time the United States is the nation able to do so because it has the only facilities. Other nations are working on it and it is probable that in the course of time simplified processes will be discovered. Ten years ago, or five years ago, one nation had the secret; then two, then three, then four. Ten years or five years from now fifteen or twenty or twenty-five nations will have the secret. Whether that will be an improvement in the situation I do not know.

Mr. GREEN: I am not advocating control but the suggestion is given that secrecy restricts development. Development is being restricted and if the restrictions were lifted nations would be able to go ahead and do the best they could in the way of development and the democracies would be just as safe as they are today.

Hon. Mr. PEARSON: I am suggesting that nations are permitted to do that today. We can go ahead in Canada and do what we like, subject to certain restrictions which have been agreed to between the United States, the United Kingdom, and Canada.

Mr. GREEN: We are told by Dr. Mackenzie that the secrecy restrictions are hampering development.

Hon. Mr. PEARSON: There are nations which are not subject to any limitations at all.

Mr. Low: They have not the money in the first place.

Hon. Mr. PEARSON: Those nations have not got the facilities—the financial, the mechanical, the industrial facilities—at the moment, but they may have them five years from now.

Mr. GRAYDON: When poison gas was first used in the first great war there was a wave of fear swept across the world, predicated on the belief that all wars would be won by that particular new weapon; still, we saw the next world war come and go without, as far as I know, a single bit of poison gas being used. Is there not always the possibility, because of the inherent danger in the atomic bomb itself, that nations will be retarded, not so much from the standpoint of international regulations, but from the strict fear that the originator of the move will himself be obliterated by virtue of the initiation of its use?

Hon. Mr. PEARSON: It might well be that if fifteen, twenty, or twenty-five nations have the ability to blow up the world and, following that, if they blow up one part of the world they blow up themselves, then no one of those twenty-five nations will take the responsibility; but who wants to live in a world under the shadow of that fear?

Mr. GREEN: We are living in that kind of a world now.

Mr. COLDWELL: It is not necessary to make an atom bomb. Chemical warfare is much the same thing.

Hon. Mr. PEARSON: There are people who say that atomic warfare is not going to be as bad as bacteriological warfare or chemical warfare. However, I do not get any particular comfort out of the fact that an atomic bomb war may not be as bad as some other kind of warfare.

Mr. COLDWELL: Yes, but still they might have something else to offset the atomic bomb.

Mr. FOURNIER: It is a matter of defence.

Mr. GREEN: If the committee is through discussing this particular subject I would like to ask one or two more questions about problems which we have that concern the United States.

My first question has to do with international gas pipelines. There are some of those lines crossing the boundary at the present time but apparently there are to be others crossing from Canada. Has the department given any consideration to the question of whether there should be international agreements negotiated to cover the installation of those pipelines? For that matter, are there any such agreements in existence at the present time?

Hon. Mr. PEARSON: Mr. Green was good enough to mention this point to me after the meeting this morning. I am not aware of any international agreements of that kind but there might be some. We are making some inquiries in the division of the department concerned to see what the situation is in that respect and we will be very glad to bring the information to the committee.

Mr. GREEN: Apparently the position at the present time is that the private companies really decide what has to be done about the pipelines crossing the boundary.

Hon. Mr. PEARSON: I am not sure. There are domestic arrangements in both countries covering this matter but whether there are any international agreements I do not know. I probably should know but I do not. I will get the information for the committee.

Mr. GREEN: The suggestion is that if there is a pipeline from one part of Canada into the United States there should be an agreement that there will be a continuous supply of the same product from the United States into another part of Canada. It seems to me that can only be covered by an international agreement?

Hon. Mr. PEARSON: Quite so.

Mr. GREEN: I suggest the department give some consideration to that question?

Hon. Mr. PEARSON: We have already begun to consider it since I had a word with you at lunch time.

Mr. GREEN: Another question has to do with British Columbia. We have great difficulty in keeping open a road during the winter through the southern part of the province between the city of Grand Forks and the city of Rossland. We, in British Columbia, have been led to believe that the Canadian Government is negotiating with the American Government for permission to have a highway run ten or twelve miles south of the boundary in the state of Washington.

A road there could be kept open during the winter and it would be very much better for the whole of our province. Can the minister tell us whether there have been any negotiations about that road?

Hon. Mr. PEARSON: At the moment I cannot tell you but we ought to be able to find that information very shortly. We are already making inquiries on the point.

Mr. GREEN: Has there been any agreement of that type in any other part of Canada?

Hon. Mr. PEARSON: I cannot answer that question offhand. We have, of course, the International Boundary Commission which deals with these matters and it probably has made agreements of that kind, but I will try to make a complete report on that to you later.

Mr. GREEN: The Americans are planning on making an extensive development on the Columbia river and part of that development will be in Canada. There might be a chance for a *quid pro quo*. If we give them a chance on the Columbia they might give us an opportunity to have a road through the northern part of the state of Washington.

Mr. McCUSKER: At a meeting of a southern highway group downstairs—and this has nothing to do with the present situation—it was stated by a man lecturing before the group that, on account of the fact certain rights on certain property in the Yukon having been ceded to Alaska for a roadway, a similar amount of property to permit of this highway was being ceded to Canada. Representations were being made to Washington. I do not know whether the lecturer stated fact but he did say what I have told you.

Hon. Mr. PEARSON: I think the statement is a little premature. I do not think there is any real authority for it at this time although the matter is under consideration.

Mr. GREEN: Have there been any negotiations by the Department of External Affairs?

Hon. Mr. PEARSON: I do not know of any negotiations and Mr. Heeney does not know of any. I have been away but Mr. Heeney, who has been in touch with these matters does not know of any negotiations.

Mr. GREEN: Are there any negotiations under way whatever to change the boundary between Canada and the United States?

The Alaska Panhandle was the subject of rumour two or three years ago when the Americans were asking to have the boundary extended some distance to the south. There was considerable concern in British Columbia over the rumoured change and I wonder whether there are any negotiations now under way?

Hon. Mr. PEARSON: There has been nothing done recently that I know of on boundary negotiations. We are trying to find out from the Boundary Commission whether they have done anything on that.

Mr. GREEN: That would not come under the Boundary Commission?

Hon. Mr. PEARSON: The Boundary Commission often makes preliminary recommendations to the Government.

Mr. GREEN: It is under your department.

Hon. Mr. PEARSON: Yes. Mr. Moran may know something about this?

Mr. MORAN: I do not know of any discussions having taken place. Our member of the International Boundary Commission is away attending a meeting of the International Joint Commission. His assistant is not aware of any discussions on the point.

Mr. GREEN: The final question has to do with the air agreement between the United States and Canada. The Minister mentioned it in his speech in



the House. I think he should go a little further and outline just what the position is at the present time. It seems to be a ridiculous situation. You have made an agreement with the United States and now they are not carrying it out. Apparently they are being held up by one of their American companies.

Hon. Mr. PEARSON: That is quite right. We made an agreement with the United States, but international agreements of that kind are subject to legislative implementation. We, ourselves, have had trouble in implementing by legislation some of the agreements we have made with other countries. We have put into effect, at once, the concession which we have made to the United States in respect to this agreement. We were in a position to do that. The most important concession, from some points of view, is the right of the United States air lines to use Gander and subsidiary airports in Newfoundland. We have not given them the permanent right because they have not implemented their part of the agreement. But they are operating under temporary permission, a month at a time.

Mr. GREEN: You have been doing that now for some months?

Hon. Mr. PEARSON: Yes, for some months. But meanwhile, the right of the United States executive authority to make this agreement was challenged by the Colonial Airlines which would have suffered by the agreement. That case is now before the courts.

Mr. GRAYDON: It was decided yesterday.

Hon. Mr. PEARSON: It was decided yesterday by a two to one decision in favour of the President's right to make this agreement. But the decision has been appealed. It will now have to go to a higher court.

Mr. GREEN: That may take months.

Hon. Mr. PEARSON: It may take months. But we are in almost daily touch with the United States authorities on this matter, and we keep telling them that we cannot continue indefinitely to carry out our part of the agreement unless they carry out their part. I would not like to go any further than that now because there is a possibility that some way may be found of working this out on a temporary basis, while the appeal is being heard, along the lines that we have worked out certain concessions, on a temporary basis, until we got matters cleared up.

There is not very much more I can say. It is quite obvious that we cannot go on indefinitely making concessions to the United States in respect to an international agreement if they do not carry out their part of the agreement.

Mr. COLDWELL: What do you mean by "indefinitely"?

Hon. Mr. PEARSON: Well, for not too long a time. We are not, I should think, suffering very much at the moment by their inability to carry out this particular part of the agreement. There are other parts of the agreement which are being carried out. This means that T.C.A. is not yet able to fly from Montreal to New York.

Mr. GREEN: What would be the position if the legal decision goes against the United States Government?

Mr. HARRIS: It would be a matter of public policy at that time.

Hon. Mr. PEARSON: If the position taken by the Colonial Airlines is vindicated in a higher court, then it will not be, presumably, possible for the United States government to carry out the agreement or any of the agreements covered by this—perhaps I should say clauses covered by this agreement; so we will certainly have to reconsider the whole matter, because this would be a very important decision indeed. It would involve not only the Canadian-United States bilateral air agreement, but the United States air agreements made under this authority with other countries. They would be even more embarrassed by that decision than we would be.

Mr. GREEN: Is there any hope of getting away from or ending these bilateral air agreements, and getting a general agreement?

Hon. Mr. PEARSON: It would be pretty difficult, under the present situation to get a general agreement covering this kind of thing.

Mr. FLEMING: In regard to article 5 of the Geneva Trade Agreement which dealt with transit rights over Canadian soil between American points of origin and American points of destination which was signed without consultation with the province of Ontario, which province has complete jurisdiction of the highways over which that traffic was to move, what is the position in that matter today? I should say that that situation was discussed, I think, in this committee, or it may have been the Banking and Commerce Committee a year ago at some length in connection with a review of the Geneva Trade Agreement; but I think no information has been given to parliament within the last twelve months. How does the matter stand under article 5?

Hon. Mr. PEARSON: It is my impression that the position of a province in regard to the implementation of this part of the agreement is taken care of by a reservation in the agreement itself. What is that reservation? Do you know, Mr. Moran?

Mr. MORAN: It is not a reservation in the agreement; but at the conference in Geneva the Canadian delegation made its position clear that it was unable in any way, to commit Canada on those matters which were solely within the provincial jurisdiction. The United States delegation made the same reservation in connection with state legislation. Thus all signatories to the Geneva agreement were aware that matters coming within provincial jurisdiction were subject to acceptance by such provincial governments. In the case that Mr. Fleming has brought up, it is a matter which the provincial Government of Ontario has not seen fit to implement. On the United States side, there have been one or two cases where implementation of procedures agreed at Geneva have not been possible, because of state legislation.

Mr. FLEMING: Are any representations being made to the Canadian Government by the United States Department of State in that regard?

Hon. Mr. PEARSON: Not for several months, I think.

Mr. FLEMING: What is the nature of the representations that were being made prior to that time?

Hon. Mr. PEARSON: I think they expressed the hope that we would be able to implement the clause of the agreement; and they called our attention to this matter and hoped that we would carry out that part of the agreement.

Mr. FLEMING: Knowing that it does not lie within the power of this Federal Government to carry it out?

Hon. Mr. PEARSON: They know that because they were informed about it at the conference at Geneva.

Mr. FLEMING: I would like to turn back now to Asia. I do not know whether you were asked this question earlier because I had to be out of the room for a short time. Have you made any statement in regard to diplomatic representation to the Israel Government?

Hon. Mr. PEARSON: No, I have never made any statement on that matter.

Mr. FLEMING: Could you give the committee some information on that subject?

Hon. Mr. PEARSON: Well, I can say that there are several countries where-in we are not now diplomatically represented, which countries have asked us to be so represented; and those countries, in priority, would come ahead of the state of Israel, that is, in priority of requests.

We have diplomatic representation now in thirty-three countries; but there are eight or ten countries which have asked us to send diplomatic representatives; and some of those countries have already established diplomatic representations in Ottawa.

Mr. FLEMING: Have you any objection to giving us the names of those countries?

Hon. Mr. PEARSON: No, but I would not like to tell you the names of the countries which have asked us to send diplomatic representatives because they are a little touchy about making overtures to us. They think we should be so anxious to be represented in their countries that they should not have to request it of us. There is no representative here from Uruguay. There are countries in South America like Colombia and Venezuela, where Canadian interests are developed and where Canadian diplomatic representation would be welcomed. There are countries in Europe such as Portugal and Spain; and there are countries in Africa such as Egypt, where we have a Trade Commissioner, but where I think they would welcome a diplomatic representative. Israel has a Consul General now in Montreal, and they would welcome a special diplomatic establishment or a consular establishment in Tel Aviv. The limiting factor, so far as we are concerned in the department, is that of finance. We cannot expand in too rapid a fashion.

We attempt to open an office when that office is required, but we do not open more than one or two offices a year. And another limiting factor is that of personnel. We are building up a diplomatic service. We are training younger officers to take more and more responsible positions. But that all takes time. We are in a position now where I think we have sufficient reserves of personnel to provide for necessary expansion, but the provision of the necessary money, gentlemen, is in your hands.

Mr. FOURNIER: Would you tell us about the Vatican? We would like to have information from you, as the Minister, about the Vatican.

Hon. Mr. PEARSON: The Vatican is one of the best cases I should have mentioned when I gave those other countries, I suppose, where a Canadian diplomatic representative would be welcomed.

I would not care to express any personal or official opinion on that subject at the present time because, as you know, that is a matter which has caused a certain amount of difference of opinion in Canada.

Mr. FOURNIER: Surely!

Hon. Mr. PEARSON: Any decision in regard to the Vatican would be taken by the Government, and I would not like to anticipate that decision by expressing an opinion on the matter now.

Mr. LEGER: Could you tell us how many nations have representation at the Vatican?

Hon. Mr. PEARSON: I think between twenty and thirty; certainly more than twenty.

Mr. FOURNIER: Do they represent their nation?

Mr. LEGER: Some of the most important.

Hon. Mr. PEARSON: Some of the most important.

Mr. FOURNIER: Do they represent their government or their nation on the same footing as any other ambassador or representative elsewhere?

Hon. Mr. PEARSON: Yes. They are on exactly the same basis as a representative of the same country or any other country except, I think, in the case of the United States whose representative to the Vatican is a sort of special envoy from the President.

Mr. COLDWELL: He is a personnel representative of the President of the United States.



Mr. FOURNIER: Do you think that the Vatican would be prepared to accept our Ambassador at Rome, who is already there?

Hon. Mr. PEARSON: The Vatican has always shown great reluctance to receive as an accredited representative the diplomatic gentleman also accredited to the Government of Italy. In fact, I do not know if that has ever been done.

I do not know of any case where the representative to the Government of Italy has also been the accredited representative to the Vatican.

Mr. COLDWELL: The United States is represented at the Vatican through the personal representative of the President. Now, what about Great Britain?

Hon. Mr. PEARSON: Great Britain has a diplomatic representative at the Vatican in exactly the same way as they have a diplomatic representative in Rome, itself. I think his rank is that of Minister to the Vatican.

Mr. FLEMING: I would like to ask the Minister how the Canadian problems vis-a-vis these representative countries are handled? Take some of the more important countries which you have mentioned, for example.

Hon. Mr. PEARSON: That is a very interesting question. There are various ways of dealing with Canadian business in countries where we have not our own diplomatic representative. Take Venezuela. We have a consul general there. He is in reality a Trade Commissioner, an official of the Department of Trade and Commerce, but he has the status of a Consul General. He will do consular business and anything we wish to take up with the Venezuelan Government. We would not, of course, try to use him in a matter of policy. It would be difficult.

In Colombia there is a Canadian Trade Commissioner. He has not got consular status, but we could use him on certain routine inquiries. If there was a diplomatic matter to be taken up with the Government of Colombia, we could do it through the good offices of another diplomatic man, that of the United Kingdom or the United States. Normally, it is the United Kingdom.

Or, we have other procedures which we could follow. We can ask our Ambassador in Washington to see the Colombian Ambassador and talk to him about it, and he would take it up with his Government.

In recent months we have been using the representatives of those countries at the United Nations, such as the Colombian representative there.

Mr. FLEMING: What about similar problems in Israel?

Hon. Mr. PEARSON: Israel has a Consul General in Montreal, and a representative at the United Nations. Then, in Tel Aviv there is the United Kingdom minister, and we might use him.

Mr. FLEMING: You have not had the occasion to do so yet?

Hon. Mr. PEARSON: We have not had occasion to do so yet.

Mr. COLDWELL: There are more Canadians in Tel Aviv than in any of these other countries?

Hon. Mr. PEARSON: Yes. There are a number of unofficial Canadian Ambassadors in Tel Aviv.

Mr. GRAYDON: Perhaps in view of the present and even greater future importance of our relations with India, may I ask the Minister, first of all, about our representation there now, and what the plans are for expanding it, and also, might I ask him: do we use the same representation for Ceylon, Pakistan, and India, or is it divided in any way?

Hon. Mr. PEARSON: Well, we have a High Commissioner and secretary and a commercial secretary at New Delhi, two secretaries.

We have had, I think, a very strong staff in New Delhi. We had Mr. Kearney as our High Commissioner and Mr. Morley Scott as counsellor, a secretary and a commercial man. Mr. Chipman is taking Mr. Kearney's place.

We do not use the Indian Office for Pakistan or Ceylon. We are shortly to establish a separate office in Pakistan with its own High Commissioner. An announcement to that effect will be made before long. Meanwhile, there is a Canadian Trade Commissioner in Kurachi.

Mr. FLEMING: I would like to ask about the way in which fusion was carried out a year or two ago of diplomatic and trade representations abroad. Is it working out, under your department?

Hon. Mr. PEARSON: Well, fusion, is too strong a word. If you mean that the two services have been fused, they have not.

Mr. FLEMING: I mean unification of the administration under your department.

Hon. Mr. PEARSON: Where we have a diplomatic mission in a foreign country, representatives of other government departments such as Immigration become part of the diplomatic establishment, although they report directly to their own department. But, in policy matters, and for general supervisory purposes, they are under the head of the diplomatic mission. However, there is one Canadian unified fusion and that has worked out very well.

The Trade and Commerce representative becomes the commercial consul, let us say, of the embassy or location, or commercial secretary. That is the only way in which we have fusion at the present time.

Mr. FLEMING: That step, I take it, has resulted in some economy as well as in tightening up somewhat the form of Canadian representation abroad.

Hon. Mr. PEARSON: I would agree with you; and from our point of view, it has been very satisfactory.

Mr. GRAYDON: Are there any pending changes in the diplomatic personnel representing us in the various parts of the world in contemplation, at the moment?

Hon. Mr. PEARSON: Yes, there are some changes, and we shall be announcing them before very long.

We are sending a new Consul General to New York. That has been already announced. There will be a few other changes.

They are just a sort of routine transfer. We try not to keep a man in any one post too long, especially if it is uncomfortable and unhealthy.

Mr. MACINNIS: Does the location of an ambassador in a country depend on the amount of business we do in that country?

Hon. Mr. PEARSON: That is an important consideration as well as the possibility of extending that business. Primarily that would be the function of the department of Trade and Commerce, but I think the Trade and Commerce people, if they were here, would agree with me, that its work can be helped by diplomatic assistance. An ambassador has the prestige which still clings to his office, and in making representations on an economic or a trade matter at a higher level sometimes it is more effective, provided he is the right kind of person. But if he is not the right kind of person, then it does not work out.

Mr. FLEMING: You announced last week the forthcoming meeting of the commonwealth ministers. I do not think you used the expression "Prime Ministers". You said that the meeting was to be held in Ceylon in January.

Is it fair to ask you if any agenda has been indicated?

Hon. Mr. PEARSON: Yes, that is quite fair. It is a meeting of Commonwealth External Affairs Ministers, or representatives of the governments. I think I said last night that at the last Prime Ministers conference it was suggested that when on occasion the situation seemed to warrant it, it would be a good thing for the Commonwealth External Affairs Ministers to get together.

This will be the first of those meetings. It has been called by the Prime Minister of Ceylon. Some suggestions have been offered as to the subjects to be discussed, and our views were asked as to what we thought should go on the agenda. We are now in the process of working out an agenda and there will certainly be a general survey of the international picture. That covers anything and everything; and there will be a discussion of the situation in China and the far east. There may even be a discussion of economic questions, but it is not yet decided what actually will be in the agenda until the views of the various governments have been sent to Ceylon.

Mr. FLEMING: Do you expect that trade and exchange will be discussed as between member nations of the commonwealth?

Hon. Mr. PEARSON: I think that is likely, but it has not been decided yet. Some of the governments may think that this conference should not discuss that specialized subject, but I would not like to express that view. I can only say that it is possible it will be a subject for discussion; and that as soon as we agree on a subject, we will make it public.

Mr. FLEMING: In the house, I think, on Wednesday morning, you drew attention to the fact that the statement had emanated from the prime ministers conference, and I think you used the expression "commonwealth of nations", not "British commonwealth of nations". May I ask if the subject of the title was discussed at that conference?

Hon. Mr. PEARSON: Yes, it was.

Mr. FLEMING: Is it fair to ask a question about the views expressed? I think the general impression is that the three Asiatic dominions took some exception to the title "British Commonwealth of Nations", because they regarded themselves not as being linked racially to the British people.

Hon. Mr. PEARSON: That is quite right.

Mr. FLEMING: Then how far do you feel free to indicate to us the discussion that was had on that subject at the conference, and what came of it?

Hon. Mr. PEARSON: I feel that I have to be a little careful about expressing the opinions of other governments. But I think it is well known that the new dominions from the sub-continent of India have taken that view and have expressed that view in public that the use of the word British as applied to those dominions is less appropriate, to put it that way, than it is when applied to other dominions. They have not, as you say, the same links of tradition and race and lineage antecedence as say New Zealand and Australia have with the United Kingdom, and which, indeed, Canada has with the United Kingdom. That is to say, the inhabitants of Pakistan, Ceylon, and India are not British in that sense, do not feel British in that sense. Doctor Malan, the Prime Minister of South Africa—I do not think he would object if he were here—does not feel British in that sense. Their attitude towards the use of the word British is obviously not the same as that of the Prime Minister of New Zealand who certainly does feel British in that sense.

Mr. GREEN: The position in that respect is that each nation in the commonwealth—

Hon. Mr. PEARSON: The position is that each nation in this association can use whatever expression it cares to use. It can use British Commonwealth of Nations, or Commonwealth of Nations and possibly in even any one nation of the commonwealth, people can use any expression they like.

Mr. FLEMING: There was no suggestion that those nations which had previously been members of the British Commonwealth of Nations should not continue to regard themselves as such, while there should be another commonwealth embracing the three Asiatic dominions.



Hon. Mr. PEARSON: No suggestion of that.

Mr. FLEMING: Is it fair to say that when the matter was discussed no conclusion was reached, and it is just sitting there?

Hon. Mr. PEARSON: No formal conclusion of any kind was reached. There was a discussion and a peculiarly British result.

Mr. GREEN: I hope you are not going to change the name of British Columbia to Columbia.

Hon. Mr. PEARSON: If we did, we should call it Columbia the Gem of the Pacific.

Mr. CHAIRMAN: English Columbia.

Mr. FOURNIER: In the province of Quebec, we call it Canadian Columbia in many places. •

Mr. FLEMING: I gather that the matter is going to be left there. There is not any indication that that subject is going to be revived at any conferences, this one in Ceylon, for instance.

Hon. Mr. PEARSON: I know of no indication that it will be revived at all.

Mr. FLEMING: The parties are agreed to let the matter rest as it stands now.

Hon. Mr. PEARSON: That, I think, is the situation.

The CHAIRMAN: Have members any further questions to ask the Minister? I believe I am voicing the sentiments of all the members of our committee in thanking our Minister.

As Chairman of the Committee, I want to address the same remarks to all the members for the illuminating and very fine questions put to our Minister here today. Now before we leave we will have to decide on a sitting next week. I intended first to call a meeting on Tuesday morning at 11.30 but there is the Agricultural Committee sitting on Tuesday morning.

Mr. BATER: Yes, we are sitting at 11.30 on Tuesday morning.

Mr. GREEN: Would it be possible for you to arrange the time so it does not conflict with the meeting of the Atomic Energy Committee?

Mr. CHAIRMAN: Yes, we will certainly try to that end. By the progress we made today in these two sittings I think we have a chance of completing our activities next week in four or five meetings. So, tentatively, we will set the date of the next meeting at 3.30 Tuesday afternoon, November 22nd.

Mr. FLEMING: Mr. Chairman, with a view to saving of some time, in previous years, we had at one stage or another some detailed statements of figures brought in by departmental officials. Now, to save time, could we have those figures at an early date? For my part, I want to see the figures of actual expenditures for the last fiscal year, so that we may compare them with the appropriations requested this year.

Mr. HARRIS: Can we not pass this item?

Mr. CHAIRMAN: I believe that we are all in agreement that the Minister will be free now to go back to the United Nations.

Mr. MACINNIS: I think, Mr. Harris, we decided this morning to discuss policy today and administration the next time we sit, in dealing with the figures that Mr. Fleming wants.

Mr. FLEMING: Will you guarantee, Mr. Chairman, that all meetings of this Committee will be as interesting as today's?

Mr. CHAIRMANS Yes. Definitely.

The committee adjourned.

1949

SECOND SESSION  
HOUSE OF COMMONS

STANDING COMMITTEE

Government  
Publications

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS  
AND  
EVIDENCE

No. 2

TUESDAY, NOVEMBER 22, 1949

Estimates of the Department of External Affairs

WITNESS:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.P.S.  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1949







## MINUTES OF PROCEEDINGS

TUESDAY, November 22, 1949

The Standing Committee on External Affairs met at 3.30 o'clock.

Mr. Joseph A. Bradette, Chairman, presided.

*Members present:* Messrs. Balcer, Benidickson, Bradette, Breithaupt, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Hansell, Harris (*Grey-Bruce*), Leger, Low, MacInnis, Macnaughton, McCusker, Pinard, Richard (*Ottawa East*), Robinson, Stick, Winkler,—24.

*In attendance:*

Messrs. A. D. P. Heeney, H. O. Moran, S. D. Hemsley, Marcel Cadieux, Chief, Personnel Division, and M. H. Coleman, Accounts Branch.

It was agreed to appoint a subcommittee on agenda. Messrs. Beaudoin, Benidickson, Graydon, Harris, Leger, Low, MacInnis and Winkler were designated to act with the Chairman.

The Committee resumed consideration of the estimates referred.

Mr. A. D. P. Heeney, delivered a prepared statement on the work and the growth of the department, and on the estimates. He tabled for distribution copies of a comparative commentary. He was questioned. Mr. Heeney was assisted by Messrs. Moran, Hemsley and Cadieux.

Particular reference having been made to the selection of personnel, Mr. Heeney gave the scale of salaries and allowances of Foreign Service officers. He listed the names of heads of divisions at home, and a list of high-ranking officers abroad was taken as read, to be incorporated in his evidence.

Mr. Heeney tabled copies in English and French of a poster inviting applications for the positions of Foreign Service officers, Grades 1 and 2, dated October 28, 1949.

Vote 51 — departmental administration — was carried.

The Chairman called Vote 52 — Passport Office administration.

Answers to certain questions were supplied forthwith and Mr. Heeney undertook to make available to the Committee complete answers to questions by Mr. Fraser on capital expenditures and properties abroad.

The House division bell having rung, the Committee adjourned at 5.30 o'clock until Wednesday, November 23, at 3.30 o'clock.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## EVIDENCE

NOVEMBER 22, 1949.

The CHAIRMAN: The meeting is called to order. I believe the first order of business will be a discussion of the necessity of appointing a steering committee. Last year we had on that committee Mr. Beaudoin, Mr. Benidickson, Mr. Harris, Mr. Leger, Mr. Low, Mr. MacInnis, and Mr. Winkler. There is only one member missing and if he could be replaced by Mr. Fraser, for instance, if that is acceptable to Mr. Fraser, I believe the committee will agree—or possibly Mr. Graydon?

Mr. FRASER: Mr. Graydon will be the best choice for that post.

The CHAIRMAN: We have no objection to that choice at all. All in favour of the steering committee?

Carried.

We are on vote 51 of the estimates for 1950 and I believe it would be the consensus of opinion of the members of the committee that we pass quickly vote 51 and then go into the other items on which you can ask direct questions about these different departments. Before proceeding, however, I would like you to hear Mr. Arnold Heeney, Under Secretary of State for External Affairs who has, I believe, a prepared statement to give to the committee.

**Mr. A. D. P. Heeney, Under Secretary of State for External Affairs, called:**

The WITNESS: This is a new experience for me and I realize that my minister is a hard man to follow. However, I find myself constantly in that position. I wondered how I could be most useful to the committee in examining the estimates of my department. After considering for some time I came to the conclusion that it might be helpful, if it is agreeable to the committee, if I were to put forward in detailed form what I conceive to be the principal work of the department. I will describe briefly the organization which we have to perform that work and then go on to make a few particular comments and observations upon the estimates which are before the committee. If it is agreeable I would like to proceed in that way.

In the first place I will say a few words about the work of the department. The Minister of External Affairs—still known as the Secretary of State for External Affairs—is responsible for all contacts between the Government of Canada and the governments of other external countries, foreign and commonwealth. I think that is perhaps useful to remember; but in addition to the external affairs contacts there are a number of special channels between the government and other governments for special purposes. I have in mind subjects like defence in connection with which we have established military missions in London and in Washington, for instance, which missions have direct contact with, as it were, their opposite numbers in those two capitals. Also, in the field of finance one may think of a special machinery that was set up following the September meetings between the representatives of the United Kingdom, the United States and Canada, which machinery is continuing to function and is functioning in part, at least, through officers of a department other than the Department of External Affairs.



And one could give a great many other examples of the special contacts between the Government of Canada and its various agencies and other governments for which we have not the same direct responsibility as we have in diplomatic matters. Nevertheless it is true that the department is responsible for the co-ordination of these international contacts so far as Canada is concerned, and the head of the external affairs mission in any country is the principal representative of the Government of Canada and is responsible to the minister and through him to the government.

Now, in the last few months I have had an opportunity of trying to analyse what the responsibilities of this department are, and I have come to this tentative conclusion that the classes of duties that we have to perform can be divided roughly under two headings. The first of those headings is, or might be called, reporting. The purpose of this reporting which is really the assembling of information coming to us from our own offices in other countries and information which we get direct from other governments through their representatives here, or through direct communication. As I see it, its purpose is to enable the minister and under him the department to recommend to government so that the government in turn may recommend to parliament policies, courses of action, which in the whole make up the foreign policy of the country. That, I think, covers a multitude of detailed duties that in general may be regarded as reporting and informing and advising in order that the responsible authority may make the decisions upon which the foreign policies of the country are based. Second to that, the duties of the officers of the department are to carry out decisions once they are taken; taken by the minister in a certain range, taken by the cabinet in a range above that and taken by parliament in a range above that again.

It seems to me, looking from where I sit, that the work that is done by the department, that this class of duties which I have called reporting, informing and advising, probably constitutes the most important responsibility that the officers of the department have to discharge. These reports have to do with the policies, activities of government outside as they may affect Canada or Canadian interests, and also the course of events in such other countries inasmuch as they bear upon Canadian activities and the action the government may have to take. In the second group of duties—the carrying out of the decisions once they are taken—it is rather difficult to analyse these things, and one frequently takes what happens in an embassy, in a high commissioner's office, and asks "What is all this diplomacy about anyway?" Well, I managed to subtract half a dozen headings which illustrate the ways in which the officers of the department carry out the decisions or further the policies which have been approved by the government. I am speaking now not only of the offices of the department in Ottawa but also the offices of the embassies, legations, high commissioner's offices, and the consulates that we maintain abroad, because they are for all practical purposes—and I think perhaps there is a little misunderstanding amongst people about them—branch offices of the department. Now these duties of carrying out decisions and policies may be classified this way. First, negotiations with other governments over a very wide range of matters, some of which are quite trivial except to one or two individuals, and some, of course, which are of the highest importance. Treaties, the Atlantic Alliance, and that kind of thing are most important of all; as for the trivia—one can think of a great number of examples. Secondly, officers of this department must, when they are serving abroad, try to insure that the governments to which they are accredited legislate or take action, where they affect Canadian interests, only in a full knowledge of the way in which their actions may affect Canada. A recent example of that is our interest in the arms assistance program which has been before the Congress of the United States, the congress which has just adjourned. The third duty is the spreading

in other countries of information concerning Canada. That is the duty not only of the information officers we attach to certain of our institutions abroad, but also of the diplomatic officers who must disseminate information as much as they can by contact with the press in the countries to which they are posted, by contacts with Canadian correspondents who visit those capitals, by a reasonable distribution of printed material where it will be used to give an accurate picture of Canadian conditions which in turn will reflect upon the relations between the countries. The fourth class of duties really covers the activities of the consular part of our service, and that involves the protection of the interests of individual Canadians abroad. Finally there is a group of duties which may be put under a heading of representing Canada formally and informally, some of which are of social importance and some of which are of substantive importance. I should not leave the subject of the duties and work of the department without saying a word or two about international conferences. The work involved in the department in the preparation of work for international conferences has grown enormously in the last few years since the war. I have had a count made recently of the number of conferences that the Department of External Affairs had to do with in the year 1948 and I was told that the figure was ninety-six, which quite alarmed me. Then, I said: Make a count of the international conferences which we had to do with in one way or another to date in 1949, and they came up with one hundred and twenty-six. These conferences are not all of equal importance by any means. The most important, I should think, are the meetings of the United Nations Assembly which involve a great deal of work on the part of officers of the department; but there are a great number of meetings between other nations, between say two nations, which involve Canada, which require a good deal of application and hard work by the people in the department and by people on missions in the countries abroad.

*By Mr. Graydon:*

Q. Does that total include the international gatherings attended by the Trade and Commerce department?—A. Yes it would, because our economic division is interested in them and we have been given the responsibility for seeing about the physical arrangements and the co-ordination of instructions. Mr. Graydon will, perhaps, remember the kind of handbook we tried to provide for the delegates going to United Nations meetings. Here is a copy of the last one. We tried to cover and submit to government delegates draft instructions upon every important issue that will arise in the General Assembly or in the committees of the General Assembly, and I think it has got to be a very important element in the work of our delegations at United Nations meetings. In addition there is the preparation of these instructions which, of course, are submitted to the government by the minister for approval. We have, as I say, other delegations, and this type of work takes quite a lot of time nowadays; delegations have to be so large in many cases. And also there is the preparation of reports, both those current during the operation of the conferences and final reports; the preparation of reports not only for the cabinet but for parliament, like that big volume that we brought out to cover Canada's work at the United Nations.

MR. GRAYDON: By the way, can you tell me when we may expect the next edition of that report to be ready?

THE WITNESS: Not long after the turn of the year. As you know the Assembly is still sitting. We are trying this year to preface it as the Assembly goes along. I do not know how successful we will be. We have one officer down here on that particular duty and he is supposed to write up the sessions day by day as the situation develops.

MR. GRAYDON: Is he situated here?



The WITNESS: He is with the delegation in New York. I think it remains to be seen how that is going to work out, but we will have the volume distributed just as soon as we can after the turn of the year.

Now, a word or two about the organization with which we try to perform these tasks. We have some figures. There are 1,250 employees in the department—actually 1,248 is the figure I have—and this number is divided almost equally between those at home and those serving abroad. Of these some 240 are officers and the remainder, something over one thousand, are clerical employees, stenographers, messengers and other subordinate staff.

Mr. FRASER: Would you mind my asking you a question? What was that figure in 1939?

The WITNESS: 174. I think that is right—yes, we had a total of 174 employees in 1939, of whom a very small number, a comparatively small number were officers. As a matter of fact, there were 33 officers. The department staff at home consists of the under-secretary; a deputy under-secretary and two assistant under-secretaries. Under these officers the department is divided into twelve divisions. It might be of interest just to recapitulate the names of the divisions. Their duties emerge generally from their names. Three divisions are identified on a geographical basis. First of all you have the Commonwealth division; secondly the European division; and thirdly, the American and Far East division. The other divisions are organized on a functional basis. They are the United Nations division, which has the primary responsibility for all matters concerning the United Nations and other conferences of an international character; then there is the Defence Liaison division—that is a new division in the department having to do with matters in which we are interested jointly with the Department of National Defence. Then there are the Economic Division, the Legal Division, the Information Division, the Consular Division, the Administrative Division, the Personnel Division and the Protocol Division. The Under-secretary's office,—by that I do not mean just myself and my immediate staff, but the under-secretary, the deputy under-secretary and the two assistant under-secretaries—is the co-ordinating agency for the work of these divisions and for directing the operations of the department generally under the minister.

Now, for our branch offices abroad: These comprise embassies, legations, high commissioners' offices and consulates, and they total 44 offices situated in 35 countries at the present time. Perhaps it would be of interest for the record if I were to say that these are divided into 14 embassies, 8 legations, 6 high commissioners' offices and 1 military mission—that is the Berlin Mission under General Pope, which was mentioned the other day; 1 Liaison Mission, so called, in Japan; then there are 7 consulates-general and 5 consulates; and 2 offices connected with the United Nations: one the office of the permanent delegation in New York, presently under General MacNaughton, and the other a small liaison office in Geneva which really consists of one officer and two other employees only. The staffs of these offices vary widely in size. I think at the moment the largest is the London office, with a staff of 89. The office at Geneva has one officer and two other ranks. -

Now, a word about personnel, because I know that is a question about which many members have some interest and with respect to which we have had a good deal of correspondence with members of parliament. I have had a number of conversations, I know, with members who are interested in the policy that governs recruitment—and permit me to say that I think you mentioned it the other day in your speech, Mr. Fleming. The impression seems to have existed—I hope it no longer exists—in some quarters that the only persons who could possibly get employment in the Department of External Affairs must be those with quite extraordinary academic qualifications. Well that, of course, is not the case, although we do require as a prerequisite for application a degree from a recognized



university, and it is true, and I would be very stupid to say otherwise, that post-graduate work in special subjects is, obviously, of value to the department, to the government he represents, as well as of value to himself.

Mr. GRAYDON: Mr. Bevin seems to have got along very well without it.

The WITNESS: He does, indeed. I would not attempt to say what qualifications are required for a successful foreign secretary; but I can say what are the qualifications needed for a reasonably successful officer of the department. Well, the qualifications are stipulated by the Civil Service Commission, and they require a degree from a university of recognized standing; and that may or may not be a degree in arts. I think I am correct in saying that other degrees would qualify for candidature; anyway they would be sufficient to enable him to write the examination. My own view is based on the experience of the department, and that is that as the department has grown the need for people with a variety of gifts and a variety of experience has grown with it; and as one who is now attempting to administer efficiently this organization of over 1,200 people I am of the view that for different positions one does need particular qualifications, different personalities. And, therefore, I hope that the people who present themselves in future years will not fall into a pattern as perhaps has been the tendency in some foreign offices in the world. The staff of the department is recruited directly as the result of competitions. These are held annually by the Civil Service Commission; and I have, if any of the members are interested, a copy of a poster which has been sent out within the last few weeks to all universities in Canada and has of course been posted in post offices and other public places throughout the country. This is an advertisement for a competition which will be held in the near future, in the new year, for officers in the first two grades, what we call foreign service officers grade 1 and grade 2. Normally we draw our higher grades of foreign service officers, those whom we need for the more senior positions, from existing staff; we encourage them through promotion. Normally, as I say, we try to get our people for the higher positions from promotion from the lower grades. The only exceptions which have been made in recent years to that practice have been when we have needed specialists of one kind or another, whom we have occasionally introduced for special work at higher levels above grades 1, 2 or 3.

Mr. FLEMING: Are you going to talk on the subject of language qualifications?

The WITNESS: I haven't got anything on it, but I would be glad to answer questions on that point, if you wish me to.

Mr. FLEMING: I was wondering what steps are taken to see that certainly those in senior positions going abroad—we had some discussion about this the other day—that representatives going abroad should be able to speak the language of the country to which they are being sent. I think it was pointed out in the course of our discussion that there are an increasing number of officers in the service of the department who have a knowledge of both languages, and that there are a few languages that are becoming increasingly popular. I am thinking now particularly that where an English-speaking Canadian is being appointed, steps should be taken to encourage him to acquire the use of French at least. I was thinking particularly of appointments to, let us say, South American countries. Do you think that would be of value?

The WITNESS: I quite agree with you, Mr. Fleming, and we are taking steps to encourage that—Mr. Cadieux will correct me on that if I am wrong—but I think it is true to say that in recent years the percentage of bilingualism in our service has been steadily rising, and today I think the percentage of bilingualism among the officers of the department is much greater than it was formerly. I do not know whether Mr. Cadieux would like to tell you something about that or

not, but I think I am safe in saying that the people we have taken into the department in recent years are to a large extent bilingual. I think I may say also that the department encourages a working knowledge of a second language. As a matter of fact, we attach such importance to that that we have special classes in French, and we encourage English-speaking candidates to improve their working knowledge of that language.

Mr. FLEMING: Have you any figures of the proportion of French-speaking Canadians who have been appointed to the service of the department?

The WITNESS: I haven't got them before me now but we can very readily get them. The minister mentioned one figure concerning the senior staff—how did he put it?—taking a financial criterion, of 24 senior officers, judged by salaries of over \$8,000, I think of that number 10 were those whose paternal language is French. I have no figure fixed in my mind, but I think that if you take \$8,000, or some figure that is near there, and over, the proportion is somewhat less but it is still strikingly high. I know that some of those who were posted last summer had French as their paternal language.

Mr. HANSELL: Before you leave this question of applications, does the Civil Service Commission have the say as to who should be appointed?

The WITNESS: The Civil Service Commission is the body which makes the decision as to who has passed or who has not passed an examination. The Department of External Affairs, with the other departments—please correct me if I am wrong—are not compelled to take someone who has come at the top of a competition if they show cause why those persons, or that person, should not be accepted. But I think it is a very rare occurrence; certainly I cannot remember any case since I came to the department. The simple answer to your question is, yes.

Mr. McCUSKER: Has the attention of the universities been drawn to the importance of training these men? Has any special attention been paid to giving them special training?

The WITNESS: We have recently made arrangements to develop our contacts to a greater extent with the universities. This is done through the department getting out material, and through efforts to interest not only the younger professors and others who are teaching subjects which are akin to international relations, but we are also contacting the students themselves. The Civil Service Commission in co-operation with the personnel of the departments are really doing quite a bit of work along that line; as a matter of fact, they have almost day to day contact with the universities; and part of that work is encouraging the study of French and some foreign language. We are hopeful that the results will be what we desire, and we hope the situation will improve and result in bright boys being directed into this field as a career, through the study of their curriculum and its adjustment to the needs of the service; and that, of course, would be of tremendous advantage.

*By Mr. Fraser:*

Q. You said "bright boys". Do you take any women in?—A. That is a mistake that we often make I am afraid. The masculine includes the feminine in this case.

*By Mr. Hansell:*

Q. Before you leave the subject of personnel, this is the first year that some of us have been in the External Affairs committee.—A. I have great sympathy for you.

Q. I wonder if you would care to place the names of the top ranking officials of the department on the record, together with, perhaps, the names of the heads

of the twelve divisions.—A. I would be very glad to do so. I think I can do it from memory. I shall begin with myself. Then, the deputy Under Secretary is Mr. Escott M. Reid. The assistant Under Secretaries are Mr. Leon Mayrand and Mr. H. O. Moran. We have here Mr. Cadieux, who is head of the personnel division, and Mr. Hemsley who is head of the administrative division. Mr. T. W. L. MacDermot is head of the European division. Mr. H. F. Feaver is head of the commonwealth division. Mr. Arthur Menzies is head of the American and far eastern division. Mr. John Holmes is head of the United Nations division. Mr. R. A. MacKay is head of the Defence Liaison division. Mr. E. W. Plumptre is head of the economic division. Mr. W. H. Measures is head of the Protocol division. Mr. K. J. Burbridge is head of the Legal division. And Mr. L. G. Chance is head of the consular division. And that is in addition to the officers we have abroad.

Q. There would be quite a few.—A. Yes, there will be quite a few. I could put that list on the record, if you wish.

Q. It would save time.

The CHAIRMAN: Yes, it would save time.

The WITNESS: Could I say a word about the permanency of the people mentioned the other day. We in the department are anxious that the permanent appointments should be made within the quota which the Treasury Board suggests for our department as quickly as possible. This process is going on from month to month. It will be observed in the estimates that the current year's estimates show under employees both at home and abroad a larger number than is shown for the previous fiscal year. It will also be observed that the amount asked for temporary assistance in both instances is reduced. That simply illustrates the process which is going on of the moving over from the temporary category to the permanent category. That in itself does not reflect an increase in over-all personnel, but an increase of the proportion of permanent employees, the proportion overall of the people who are permanently employed in the service. I would like to say as well a few words about administration.

*By Mr. Léger:*

Q. Would you kindly give us the salary which is paid to a Grade I? —A. \$2,880, I think is the beginning salary for a probationary Grade I foreign service officer; and that salary runs up to—would you like me to read the scale?

The starting salary upon official appointment is \$2,880. Then, after six months of satisfactory service, that salary is raised to \$3,180. That is for F.S.O.-1.

If at the end of this probationary year the officer becomes permanent, that is the salary that he then gets, \$3,180.

Foreign service officer, Grade 2 begins at \$3,480. F.S.O.-3 begins at \$4,140. F.S.O.-4 begins at \$4,740. F.S.O.-5 begins at \$5,700. I am not giving the statutory increases but you will see that they fall between those figures.

Q. What is meant by "F.S.O."?—A. Foreign Service Officer. F.S.O.-6 begins at \$6,300. F.S.O.-7 begins at \$7,200. Now, in addition to these F.S.O. grades, we have information officers within various gradations, and consular officers. We also have some administrative officers. I can, if you wish, give you the whole of them; but they are related to these other salaries which are fixed by the Civil Service Commission and the Treasury Board.

*By Mr. Richard:*

Q. What is the policy followed for expenses abroad for these F.S.O. employees? I suppose there is an amount which is added to their salary for lodging expenses, for example?—A. That is correct. In addition to the salary for foreign service officers serving abroad there is an allowance made. First



of all, there is a general allowance from which he is expected to pay for the additional expenses to which he is put by serving away from his own home. And in a certain situation where the cost of living index is such that it appears to be necessary or advisable a rental allowance is also given. The rental allowance is judged according to the level of rentals obtaining in the class of accommodation that such an individual might be expected to have. On the other hand, he is given a percentage of that, which is meant to take up the difference between what he would have to pay at home and what he would have to pay abroad.

*By Mr. Graydon:*

Q. Does not the exchange situation enter into that?—A. Very materially.

*By Mr. MacNaughton:*

Q. What about the taxation rate?—A. The taxation applies on the salary only. There are a couple of other small allowances. One is an educational allowance for which the officer may qualify, for example, if he has one or two children of a certain age.

*By Mr. Richard:*

Q. In what form are these allowances paid?—A. They are paid directly to them with their salary cheques in Canadian dollars. They are paid here. Then, as to the point which Mr. Graydon mentioned, the adjustment for exchange; of course both the exchange and the question of cost of living index is reviewed regularly and adjustments are made in these allowances according to the figures which are given to us by the Dominion Bureau of Statistics.

*By Mr. Hansell:*

Q. You used the term "statutory increase".—A. The Civil Service Commission and the Treasury Board provide for all civil servants a scale of regular increases to which an employee is entitled, provided that his service over the preceding year or whatever the period is was satisfactory.

Q. These figures then are basic figures?—A. They are basic figures.

Q. I do not think they are any too large—some of them. I suppose we have to guard the public treasury, but I do not think in a department of this kind we should sacrifice efficiency and quality for a few dollars.—A. I would hesitate to express an opinion as to that, Mr. Chairman. During the debate in the House my minister made some reference to the administration in relation to the growth of the service. In 1939—this was the figure which I did recollect a while back—the department had eight offices abroad and a total staff of 174. This year we have forty-four offices abroad, situated in thirty-three different countries, with a total staff of 635 people outside the country.

Since 1946 the number of employees has approximately doubled. This expansion has naturally increased and complicated the personnel and other administrative problems of the department. No longer can a few people handle adequately the duties involved in the permanent employment of and attending to the needs of some 1,250 employees at home and abroad. Our considerable business and the administration of the substantial moneys for which the department is responsible require the constant attention of officers specially assigned to these tasks and the services of a considerable staff of qualified assistants.

Mr. Pearson mentioned in his speech in the House on Thursday night that we are giving special attention to this administration problem. We are seeking to spread the burden and to provide for the efficient management of the depart-

ment's affairs by establishing a number of related administrative sections. An example of that is a section we have set up which is called the properties and supplies section.

Over the last number of years the department had to take the responsibility for the management and administration of quite a number of properties both at home and abroad. Some of these properties are owned and some of them are leased. We have taken the title to premises occupied by the heads of diplomatic missions in Washington, London, Pretoria, Havana, and The Hague. We have leases on living and office accommodation in something over thirty other countries. The administration of these properties is considerable and it is probable that additional premises will have to be purchased over the next twelve months because in some countries it is more economical to own and to maintain rather than to lease, while in other countries it is almost impossible to find suitable accommodation in rented buildings.

When these various proposals are put to me, I sometimes think that each new country is worse off when it comes to living conditions and the fulfilment of space requirements. Mr. Pearson mentioned the case of Karachi the other day. Karachi is apparently one of the most crowded and most difficult places in which to find accommodation, and we may have difficulty in finding something appropriate there for our High Commissioner.

*By Mr. Fraser:*

Q. On October 27th there was a question ordered for return in my name regarding your department. I thought it would be down before this. It covers the places or embassies abroad. Would that be brought down within the next day or so?—A. I do not know. The assistant Under Secretary says that unless some confusion has arisen it should be down.

Q. If it is not to come down, then I would ask you these questions here.—A. Very well, give them here anyway. We will have your question looked up and when the committee next meets I hope to have a complete answer for you, or as complete an answer as we can make it.

Q. It covers some of the things you have mentioned.—A. Mr. Moran tells me possibly the reason why the return is not down is that in respect of one building certain alterations are being made and the final bills are not in. I take it that you would like to have the information as complete as we can get it.

Q. Yes.—A. We will get that for you. Another example of a section we have set up in the department to try and improve management and methods is a financial section. This will be headed by an officer of experience and special qualifications who will give his full time to the department financial regulations, to problems of pay and allowance, and to the efficient control of expenditures at home and abroad.

Both the personnel and administrative divisions of the department are responsible to one of the assistant under secretaries.

May I now draw attention to certain features of the estimates which are before the committee. We have prepared, and I think they might be circulated now, the kind of a breakdown which, at the last meeting, was referred to by Mr. Fleming and which you had last year. At the top of this statement, Mr. Chairman, there are certain notes on certain of the items which, on the face of them appear to require some explanation. The breakdown itself is in the following pages. The first column gives the amounts included in the printed estimates, including the supplementaries, for 1948-49. The next column gives the actual expenditures made in that fiscal year. The third column gives the main estimates

requested by the government for 1949-50, the current fiscal year; and the final column gives the supplementary estimates which parliament is asked to provide. The pages following this breakdown give subordinate breakdowns of our three main departmental votes namely 51, 52, and 53, which are headed departmental administration, passport office, and representation abroad.

I will say a few words about some of the more significant figures here. The committee will observe the government has requested a total of \$17,400,002 for 1949-50. That is made up of \$15,411,881 in the main estimates and \$1,988,121 by way of supplementaries.

I would like to make this point clear to the committee. Of the total in the main estimates, \$7,504,780 represents costs of administration of the department at home and abroad. I think it is important to distinguish between what is administrative cost of our home and branch offices and the other amount which is just somewhat larger, a total of \$7,907,101, representing the government's assessment for membership in various international organizations and common-wealth organizations, and also the contribution to the international refugee organization which is shown, of course, as a separate item. In addition to these amounts, \$87,000, as will be seen in the blue book of estimates is authorized by statute.

Now, may I draw attention to a couple of increases which are requested. Under departmental administration there are two or three points which I might perhaps comment on and thereby anticipate questions. The largest increase requested is that for salaries of permanent employees—\$133,980. That figure results from the process which I described a few minutes ago, namely the movement of temporaries into the permanent class. To a lesser extent it is explained by reclassification upward, and revision of salary scales which take place from time to time. There is also an increase in the main estimate of \$25,000 for postage. I think it was Mr. Fraser who mentioned this the other day.

Mr. FRASER: Yes, and I mentioned the \$100,000.

The WITNESS: Yes. There is a total of \$125,000 which is being requested in addition to the amount voted last year. The explanation is that this additional amount is principally to provide for the cost of courier service from London to other countries—a service which was previously provided to us free of cost by the United Kingdom. The courier service for diplomatic bags from London is of course a very active service because it is from London that our despatches spread out to western Europe generally. A further portion of the addition is explained by a projection of the probable cost of carrying diplomatic bags across the Pacific, and also by the increased amount of traffic that is anticipated to and from our missions, principally on the European continent.

*By Mr. Fraser:*

Q. When the despatch bag reaches London and it is desired that it go out to a European country, does London look after it? Does the United Kingdom look after that service?—A. We do use British couriers beyond London. I think it would be only fair to say to the committee at this point that we may anticipate in future years—not perhaps in the next fiscal year, although it would be possible—that we will have to take care of further charges which the British have been defraying on our behalf, not only for courier service but for consular service.

Q. Which we have not paid for in the past?—A. No, and, I do not know whether I am impinging on policy, but the government might wish to defray that expense in the future.

Q. That is one reason why the figure for assistance has gone up. It is on account of certain consular services being taken away when a Canadian subject became a Canadian citizen instead of a British subject?—A. I do not know



whether that would have increased the consular expenses. Mr. Hemsley tells me it was one of the main reasons for increasing the expenditure in the United States.

Q. Yes, the expense would be increased in the United States?—A. You are quite right.

Q. Pardon me for asking all these questions but I intended to ask this the other day. When you mentioned Russia and the courier service, it would not, in that case, be a matter of despatch bags, but it would be an individual courier service?—A. It would be a Canadian diplomatic pouch carried by a British courier. It is picked up from Canada House by a foreign office courier and carried with the British bags to Moscow.

Q. And back from there?—A. The same thing would apply. I suppose the Canadian bag would go to the British embassy and be taken by a British courier to London. It would then go to the officials at Canada House and back to us.

Q. There is an individual in charge of it?—A. Yes.

Mr. PINARD: Is that the system generally?

The WITNESS: For European places, yes.

Mr. PINARD: What about South America; what is the policy there?

Mr. HEMSLEY: We use the British couriers for South America. It is a very slow process and we use it only for the confidential bags—classified material. Actually the despatches go to London and are picked up by the British courier and taken to South America. For ordinary administrative purposes where there is no security matter involved we use the ordinary air mail to save time.

Mr. PINARD: Do you use courier service for the United States?

Mr. HEMSLEY: We have our own courier system between Ottawa and Washington.

The WITNESS: That covers nearly all our business there.

Mr. PINARD: How about the far east?

The WITNESS: Far east material has been carried by the British but we are just now completing arrangements for our own trans Pacific service which will be undertaken via C.P.A.

Mr. GRAYDON: Do you ever lose any of those diplomatic pouches?

Mr. HEMSLEY: They get astray every now and then but I think the record is very good. We have lost one in a plane crash.

Mr. MACNAUGHTON: Have you ever lost them through theft?

The WITNESS: They get delayed curiously sometimes, but it has been my experience that normally they turn up.

Under the item, sundries, there is an increase of \$42,000, and we are asking in the supplementaries under this heading for \$17,500. The former is to provide for the increased cost of newspapers for our missions abroad, and for the purchase of books for what we call a minimum basic library on Canadian subjects which is provided for each mission. Also the amount covers the purchase of certain cipher equipment and a number of miscellaneous items.

An additional amount of \$18,407 in the main estimates under passport office, and a further amount of \$16,750 in the supplementaries under the same heading, is for the most part made necessary by the increased cost of production of passports and stationery connected with passports—application forms and so forth.

Now I would like to draw attention to vote 54, representation abroad.

Mr. GRAYDON: Before you come to that—

Mr. FRASER: I was just going to ask, Mr. Chairman, if we can come back to these items later?

The CHAIRMAN: Yes and the work will be simpler by reason of Mr. Heeney's statement.

Mr. FRASER: Before you leave departmental administration may I ask the position with respect to the housing of the external affairs administration here in Ottawa? With the expansion of the department I take it that space is pretty cramped?

The WITNESS: You are referring to the east block, Mr. Graydon, and I would say yes. It is pretty tight. We did have a temporary relief, before I came into the department actually, when the Department of Finance moved from the east block. However, they must have occupied very little space because we are in difficulty again. I do not know how serious the difficulties are and I think most of them are being adjusted. I hope we will be able to carry on with the space we have in the east block and in the passport office. There is some warehousing space in an old building on Queen street. And the passport office on Bank street is one of our most difficult places.

Mr. FRASER: It is a real dump. There is no other word for it: I know it is not parliamentary but that describes it.

The WITNESS: Mr. Moran tells me that a decision has recently been made to move the passport office to Sparks Street, in the Booth building.

Mr. RICHARD: Will it be more accessible?

The WITNESS: It is near the Bank of Montreal. It will be more accessible than Bank Street where it was before. However, I do not think that our space defects are as serious as other departments.

The CHAIRMAN: You have office space in the new Post Office?

The WITNESS: Yes.

The CHAIRMAN: Could you not enlarge your space there?

The WITNESS: No I am told by the assistant under-secretary that we are under notice to quit. That will be very serious if we have to leave there. Our Information division, our Consular division, our Legal divisions and the Personnel division are there.

Mr. LEGER: When the repairs are completed in the east block will you have enough room?

The WITNESS: I do not think the repairs will actually increase by a very large extent the amount of space available for offices. I think if we hold what we have and get the east block finished that we will be able to carry on all right.

May I draw attention to two or three items in the representation abroad Vote 53. The committee will notice that the amount asked in the main estimates is \$189,334 less than last year although in the supplementary estimates we have had to ask for an increase beyond the original estimate of \$131,044. I shall have a word to say that when commenting on the difference between expenditures and estimates under this heading in 1948 and 1949 which may have indeed struck members of the committee, but meantime I would like to point out that this item is extraordinarily difficult to estimate for. The other day in speaking to the committee on the opening of new offices abroad the minister spoke specifically of Karachi and mentioned the possibility of opening other offices as being desirable or necessary in the national interests. That is the reason we have difficulty in estimating anything very precise on this item of representation abroad. I will have a word to say about that in a moment or two.

Regarding the government assessment for membership in international organizations. It will be noticed there is an increase in Vote 61 which is assessment for membership in the United Nations. This additional amount is \$238,500 and results directly from the increased budget of the United Nations itself. Canada's contribution to the United Nations is based upon a 3.2 per cent proportion of the total budget.

Mr. GRAYDON: Is that following pretty largely the general proportion of contributions by the various nations to the U.N.O.?

The WITNESS: Yes, that is the figure which has been allocated to us as our appropriate proportion. It was previously a little larger. It was 3.35.

Mr. GRAYDON: Has any question ever been raised with the United Nations as to why Great Britain should have to pay 12½ per cent and Russia only 6 per cent?

The WITNESS: That question has certainly been raised. I am not familiar with the most recent discussions but there have been discussions in the administrative committee at Lake Success. As you know these percentages were arrived at after a good deal of discussion which has gone on all the way from San Francisco to this most recent meeting. I have a note here which Mr. Moran has just handed me setting out the principles which are applied in determining these percentages in the measurement of capacity to pay. Comparative estimates of national income are considered *prima facie* to be the guide, but other factors are to be taken into account including (a) comparative income per head of the population, (b) temporary dislocation of national economies arising out of the second world war, (c) the ability of members to secure foreign currency. That does not answer your question fully, but I will be glad to get you some more information on the most recent developments.

Mr. GRAYDON: What is Russia's recent percentage?

The WITNESS: Six.

Mr. GRAYDON: We pay more than half of what Russia pays and Russia pays half of what the United Kingdom pays?

The WITNESS: Yes.

The CHAIRMAN: Mr. Heaney, could you tell the committee if any nation belonging to the United Nations organization has ever defaulted on the payment of membership assessments.

The WITNESS: There certainly were the last time I saw the report on it. I do not know what the situation is today however.

Mr. HANSELL: Do they have any particular formula in arriving at the allocation?

The WITNESS: Yes. Quite a complicated formula as based on international income modified by these three additional factors which are brought to bear in some agreed manner.

Mr. FRASER: The United Kingdom contribution should be down because that formula takes into account the ability of obtaining foreign currency.

The WITNESS: Yes. Depending on the extent to which you apply that factor in the calculation.

Mr. MACINNIS: Was the Soviet percentage increased in 1949?

Mr. MORAN: I have no statistics for the recent assessment,— the formula is based on the ability of a country to supply post war data,—but we would have in the United Nations division the figures for other countries.

Mr. PINARD: Why are all contributions paid in United States dollars?

The WITNESS: The budget is reckoned in United States dollars, but there are expenditures made in other currencies.

Mr. HEMSLEY: There is an option for some assessments to be paid in Swiss francs.

Mr. FRASER: It all depends on the international bank, does it not?

The WITNESS: In what way?

Mr. FRASER: They deal only in American dollars there.



The WITNESS: It is the currency in which I suppose the bulk of the expenditures are required to be made.

Mr. MORAN: The question of readjustment of contributions from the various member nations came up at the last meeting of the committee and it was agreed that the 1949 assessments might fairly be continued into 1950. These were the main factors in support of that conclusion.

(a) A number of countries have still to devote a large share of their resources to the repair of war damage;

(b) Many states are experiencing even greater difficulties than last year in securing foreign exchange and in particular United States dollars and Swiss francs;

(c) For some countries the statistics available are somewhat inconclusive as to the extent of the real improvements which have taken place;

(d) There is uncertainty in the external trade and balance of payments position of many countries. Those are the main factors that led the committee to the conclusion that the 1949 assessment should be continued to 1950.

Mr. GRAYDON: Perhaps there were some considerations that made the Russian contribution at one stage 6 per cent as opposed to the British 12 per cent and ours 3.2 per cent. Having in mind the repercussions of a recent explosion there is perhaps some money being spent on something other than repairing war damage.

The WITNESS: I would like to find out for the committee how this matter was dealt with at the most recent meetings of the administrative committee of the United Nations, whether the question of reassessment was canvassed to any extent. I do not know at the moment.

Mr. GRAYDON: The money power appears to be in inverse ratio to the veto power.

Mr. McCUSKER: It seems their currency position has improved to some extent. Formerly it was twelve rubles to the dollar, now it is eight.

Mr. HARRIS: Of course the answer is clear: are rich in liberty but not in income.

Mr. GRAYDON: I suppose one explanation is as good as another to them.

Mr. MacINNIS: It is always so difficult to arrive at satisfactory explanations.

The WITNESS: I am very near the end of my long statement, Mr. Chairman. The Canadian contribution to the International Labour Office, as the committee will discern, has been increased by \$190,500. There is also a supplementary estimate for a further amount of \$18,900.

Mr. MacINNIS: How do you account that there was no contribution last year?

The WITNESS: There is a technical reason in that rather than a policy reason: it arose in connection with the timing of the payments. It does not mean that we ceased membership for one year. I have no doubt there may be other questions of our financial relationship to various United Nations organizations which will arise in discussions. May I finally say something about the estimates requested for this current fiscal year in relation to the list of expenditures which appears as the second column in this breakdown and which is in the hand of members of the committee.

Members will notice that our expenditures in 1948-49 under Departmental Administration and Passport Office Administration, the first two departmental items, correspond fairly closely to estimates for that year. There is, however, a striking difference between the estimates of \$5,361,697 for representation abroad for the last fiscal year, and the actual expenditures which amounted to only \$4,289,703 for the same fiscal period. Almost \$1,072,000 of the amount voted was not, in fact, spent. This represents, of course, a marked over-estimate for 1948-49 under those headings and I would like to explain to the committee what I said a few minutes ago and give the reasons for it, as I understand them.

On some items the estimate for representation abroad is bound to be based on informed guesswork and not much beyond that. Take, for example, the position of the department at the present time. We are now engaged in preparing our estimates for the fiscal year beginning April 1, and ending March 1, 1951. We have to provide therein for operations in countries in many different parts of the world. During 1950-51 it may prove necessary or desirable in the national interests to open Canadian offices in countries where none now exist or it may prove necessary as it did a year or more ago in the United States to open other offices in countries where we have already diplomatic representation. The other day the minister mentioned the possibility of having to open certain new diplomatic missions in this coming year. Now, in such circumstances the estimating process cannot and should not be too precise. For such contingencies we allowed \$250,000 in 1948-49; only a proportion of this was spent or needed. For the current year we have proposed \$175,000 for this purpose, but the fact is that we may use only a fraction of this. The only new office which will be opened likely during this current fiscal year will be Karachi. We cannot, of course, be certain and we will, of course, be bound to try and provide for any other offices the government decides to open during that period.

Mr. FLEMING: Is the government not contemplating opening any office in Colombo, Ceylon?

The WITNESS: Well, Colombo I had in mind. Of course, I am not competent to say what the government will or will not do, but we have consistently opened offices in commonwealth countries. I would be surprised if we did not make some arrangement for representation in Ceylon as soon as that can be done; but what can be done and what may be done I cannot really say.

Mr. GREEN: How is our business with Ceylon carried on at the present time?

The WITNESS: Through the United Kingdom High Commissioner. We have also direct cable communication, of course. For example, the invitations which were referred to in the House by the minister—just the other day—were communicated directly from prime minister to prime minister by cable. We can cable in the same way in cyphers which are common to both Ceylon and Canada. But we have no representative in Ceylon who particularly represents us other than, as I said, the British High Commissioner. We have no national representative there whom we can call on to make personal representations to the Government of Ceylon.

Mr. FLEMING: But Pakistan is a firm decision?

The WITNESS: Yes, that is a firm decision. The minister made that statement the other day.

Mr. RICHARD: Would this be an appropriate time to try to find out how much money we have expended on the repair and maintenance of buildings, and the construction of new buildings in foreign countries.

Mr. FRASER: That is the subject matter of a question which I put on the order paper as an order for return under date of October 27 and which Mr. Heeney, I understand, is preparing.

The WITNESS: Yes, sir.

Mr. McCUSKER: I presume that in entertaining the proposition to open, or to reopen an office in Ceylon, we are taking into consideration the business we do with them, and the business that it might be possible for us to develop in that country, the things that we might buy from there.

The WITNESS: As far as I am able to answer that question I would think, certainly, commerce would be an important element. The requirements of

existing trade would certainly be a factor; but there is the even less tangible factor of empirical relationships between commonwealth countries; and I fancy in that particular case that would be a fairly important one.

Mr. STICK: We already have a considerable trade with Ceylon, although I believe we have been without direct representation there for something like 15 years.

Mr. GRAYDON: When you are preparing your reply to Mr. Fraser's inquiry as to the cost of alterations in connection with foreign embassies would you include in that the cost of structural changes with respect to buildings in Ottawa which are occupied by the Department of External Affairs?

The WITNESS: I do not think the question was phrased in that way.

Mr. FRASER: No, this was only representation abroad.

The WITNESS: Of course, that would not be a departmental matter at all, that would be under the Public Works department, I mean so far as property in Canada is concerned.

Mr. FRASER: That is what I said before; I mean the Public Works department are looking after that and we cannot get that from your department.

The WITNESS: And that is true, of course, of all departments.

Mr. FRASER: Yes, that is true of all departments.

Mr. FLEMING: But the information which you will give will be information about capital expenditures in connection with representation abroad?

The WITNESS: We could arrange to do that. I think, actually, the information on capital expenditure is available in this breakdown here, under representation abroad.

Mr. GRAYDON: Mr. Heeney, the question was raised as to representation at Karachi and Colombo; can you give me any information as to whether or not Canada has joined those other six nations who were mentioned in the Commons yesterday in a move towards the recognition of the present Chinese communist government?

The WITNESS: Mr. Chairman, I do not know that I can answer that question.

The CHAIRMAN: Will Mr. Heeney kindly proceed with the presentation of his statement.

The WITNESS: The first observation, then, about this marked difference between expenditures and the estimate for the preceding fiscal year, is the difficulty of determining precisely what the requirements will be with respect to the opening of new offices. The second point I have by way of explanation of that difference between expenditure and estimates is this: we must also make some provision for items of capital expenditures which may arise during any year over and above the foreseeable capital expenditures, estimated on the capital requirements for individual offices. We may also be forced by circumstances to purchase a property, or we may wish to take advantage of an offered bargain. Furnishings and equipment will have to be purchased for these buildings, and for any new offices. Such contingencies, and other unforeseen items for capital account which may be needed, go to make up the current estimates of \$225,000 for this year as against the \$530,400 for 1948-49, and spent only in part.

The third element in this explanation is the provision for estimating increases in costs in operation of missions abroad. We have to hazard a guess based upon the advice of the Bureau of Statistics as to what the level of costs will be in the various countries of the world in which we have offices and employees. Last November the estimate was that it would be wise to allow for a general 12 per cent increase in costs. This resulted in the addition of some \$150,000 to the operating costs of our missions and \$275,000 to take care of possible adjustments in scales of allowance. Here, again, the amount in whole



or in part may or may not be needed; and in the case of last year we estimated for more than 12 per cent and that proved to be more than we did in fact require to make up this difference.

It is in these miscellaneous items under "Representation Abroad" that a substantial, but we think justified, over-estimate is likely to occur, and did in fact occur last year. There is another item the purpose of which is to provide a sort of working capital fund. This also tends to bring out estimates above our actual expenditures. Bank balances held by our offices abroad at the year end are charged against old year funds. This carry-over figure for our present offices abroad amounts to about \$150,000. Similarly, all travel and other advances on behalf of this and other government departments are charged against the funds available in the old year, even though a fairly substantial portion of those advances may eventually be refunded. We must have funds available to finance this year-end business. Altogether, these working capital items on the present scale of operations amount to about one-quarter million dollars. Our estimates, therefore, for this reason are bound to be in excess of expenditures by an amount of this order.

These are some of the factors which go to make up these items in the department's estimates. This is the explanation of the disparity between the estimates for 1948-49 and our actual expenditures. Whether or not we shall have a similar experience this year or next depends upon decisions which may be taken with respect to new officers abroad and upon the other factors I have mentioned.

I apologize for having read so closely the last portion, but I was very anxious that there should be on record a precise explanation of what to me I thought was the most striking element of the breakdown which has been prepared. Now, Mr. Chairman, that concludes what I have to say by way of a formal statement. I am afraid it has been a rather long one, but I thought what I had to say might be helpful to the committee.

The CHAIRMAN: You do not need to apologize for anything you have presented, Mr. Heeney. You have given us a very comprehensive outline of the activities and functions of your department and I am sure it will be of great assistance to us in considering the items of the estimates as we proceed with them.

The CHAIRMAN: Shall the item carry?

Mr. FLEMING: No, I have some questions I would like to ask.

The CHAIRMAN: You want to ask Mr. Heeney some questions?

Mr. FLEMING: Yes.

*By Mr. Fleming:*

Q. I do not know that I got your explanation as to these increases, Mr. Heeney; possibly you covered more ground than we expected you to. However, you said something about a 12 per cent increase. I gather there has been no change in the scale; or, has there been a change in the scale of salaries within the department in the past year?—A. In respect to salaries and allowances—and I will ask Mr. Hemsley of the department to correct me if I am wrong—what I had reference to there was representation abroad.

Q. If it is abroad then perhaps I can reserve it for the time being until we reach that item; that is, if it is not a matter directly relating to departmental administration here in Ottawa.—A. There has been no adjustment of salaries at home with respect to the cost of living index, as far as I recall, with the exception of the adjustment which was made in 1948.

Mr. HEMSLEY: The figures in the material you have before you there are based on the allowances paid last year. In the meantime the Bureau of Statistics

are working on the cost of living indexes for 1950. The actual figures for next year cannot be included in our estimates for this year. We therefore allow for possible increase in scales for next year.

The CHAIRMAN: Possibly the officers of the department would move up closer to the table here so that we will be able to hear them better.

The WITNESS: This does not refer to salaries of our staff here at home.

Mr. FLEMING: I do not know that I have any further questions on departmental administration. We can deal with the increase in the cost of representation abroad when we reach the appropriate item.

*By Mr. Graydon:*

Q. May I ask you this, Mr. Heeney: out of the total staff in your department can you tell us how many are permanent and how many are temporary?—

A. I haven't given those figures yet, but I have indicated an explanation of the policy of the department, which I said was to increase the permanent appointments as quickly as we could up to the quota which the Treasury Board fixes for the department; and I pointed out that the increase in the number of employees shown in the departmental vote for this current fiscal year was 122, as compared I think with 82 in the fiscal year preceding; and I think the figures indicate that we are moving forward now a great deal faster to the point of permanency for people who are qualified, and as the Treasury Board gives us permission so to do.

Q. The point which strikes me is that the process is very gradual. In other years I, for one, was impressed. But the progress of moving members of the staff from a temporary to a permanent basis now seems to be very slow. If in the past year only forty members of the staff have been moved to a permanent basis; that impresses me as being very slow. The period of big accession to the staff of the department in numbers which occurred after the war has pretty well run its course now, and the process of digesting that large accession of personnel should at this time, it seems to me, be pretty well advanced. That being the case, I am rather struck by the fact that only forty members of the staff have been moved in the past year from a temporary to a permanent basis.—A. I would expect that that number of forty has been added to very substantially since the estimates were prepared and printed.

Mr. CADIEUX: The number has increased to seventy-four this year.

Mr. FLEMING: It has jumped from forty to seventy-four since when?

Mr. CADIEUX: Last year there were ninety-eight. In the year 1948 ninety-eight permanents were affected in the department of External Affairs. This year, from January 1st to October 31, 1949, there have been seventy-four.

The WITNESS: What is the proportion to which we are entitled under the Treasury Board regulations?

Mr. HEMSLEY: It probably will be eighty per cent. It has not been fixed, but it will probably be eighty per cent of the department.

*By Mr. Fleming:*

Q. So there would appear to be plenty of room yet within the quota which the department is allowed for a very substantial movement of members of the staff from a temporary to a permanent basis.

Mr. CADIEUX: At the moment we have 356 employees who are permanent and 621 who are not.

The WITNESS: That excludes those locally employed personnel?

Mr. CADIEUX: Yes. But a person must be in the service more than one year before he can be made permanent.

*By Mr. Fleming:*

Q. Just making due allowance for the fact that large numbers of new personnel came into the department since the war, I still think that the impressive factor in the figure just given is the low proportion of those who are on a permanent basis. And I, for one, want to see great care taken in making sure that staff members are qualified to go on a permanent footing; and I for one would like to hope that it would be possible for the department to move at a much more rapid pace in transferring members of the staff to the permanent from the temporary basis wherever they are qualified.—A. I think Mr. Moran has some observations to make.

Mr. MORAN: The procedure by which this matter is dealt with in the department is that all employees are entered on a "cardex" system for the purpose of permanency. There are other card index system for other purposes; but there is one card index system which is devoted solely to permanencies. These people fall into five separate categories. The card is brought forward on a time basis as they qualify for permanency, but there are other factors. One of them is that of veterans preference. People who are qualified in all other respects for permanency under existing civil service regulations cannot be made permanent if they have not the veterans' overseas preference. That fact has affected some percentage of our people. A certain percentage of them is affected as Mr. Cadieux points out, because they have not been in the department for a year. This would apply to all employees recruited during the past 12 months. There is a very small number who are qualified in a time basis but some consideration is being given to whether the department may properly recommend permanency. My personal view, and I point out I have only had a short period of responsibility for this problem is that the department has made reasonably good progress within the limitations which I have just explained. I can assure Mr. Fleming and the members of the committee it is a matter in which the department has a very great concern, and to which it is giving very close attention.

Mr. HEENEY: There is one feature I would like to comment upon and that is: we should try to move as quickly as possible to the position where our own Canadian employees abroad are made permanent in order to give them the kind of security which it seems to me is important for people who have cut many of their personal connections in leaving home for foreign service.

*By Mr. Pinard:*

Q. Can you state the number of employees who are abroad who are not permanent?

Mr. MACINNIS: According to page 125 the number is 147 permanent; but the number of temporaries is not given.

The WITNESS: That would be something under 100—the number of impermanences.

Mr. CADIEUX: There will of course be some reductions in that figure of 170.

Mr. FRASER: The figure of 621 was given as the permanent. I did not get a figure for the temporaries.

Mr. MORAN: The permanents are 356, the temporaries are 621; and the difference between that and the total figure of 1,248 Mr. Heeney quoted earlier represents people locally engaged, that is, nationals of the different countries in which the posts are situated, and who, of course, do not qualify for permanency in the Canadian civil service.



*By Mr. McCusker:*

Q. For the purpose of seniority and pension, does a man's appointment date from the date when his appointment was made permanent or does it date from the time of his appointment?—A. It dates back to his first appointment; and he can qualify for pension as from that first date of joining the service provided that he pays back his contribution on a graduated scale over an optional number of years.

The CHAIRMAN: Does item 51 carry?

Carried.

Does item 52, passport office administration, carry?

*By Mr. Fraser:*

Q. What was the income of this department? I believe it was about the only branch you have which has an income.—A. I am afraid so. It was approximately \$300,000.

Q. That is a little more than last year, is it not?—A. Yes, larger than last year.

*By Mr. Graydon:*

Q. Could you explain the technical reason why when people make application for a passport to all countries, you sometimes ask them to clarify their request in a letter which comes back?—A. Who will answer that one?

Mr. MORAN: Mr. Chance would be the best person to answer that question but he is not here. However, my understanding is that there are regulations in some of the countries which a person might want to visit about which he should be informed. If he were given a passport, he might feel that he could travel freely in those countries only to experience later some difficulty in obtaining a visa. Such a person might complain later that a passport was issued to him, and that it meant in effect that he could travel in that country. There have been occasions when it has been useful for the department to be able to register a caveat with the traveller about certain conditions or regulations that would be met. And sometimes it saves the individual trouble and inconvenience if that caveat is sounded. But it would only be possible if the department knew the countries in which the individual was planning to travel. There may be other reasons for it, but that is one.

Q. My experience has been that the department does, eventually, issue the passport to all countries. But sometimes when the first application comes in, they refer it back to the applicant in order to make sure that it is his exact intention.

Mr. MORAN: Yes. And I think that the reason is that it may be possible for the department to say to him: Among the countries which you propose to visit is one in which there are travel restrictions or exchange regulations with which you should be familiar.

*By Mr. Graydon:*

Q. Are there many countries now in which visa difficulties are most prominent?

Mr. MORAN: Probably in—

The WITNESS: I would say not as many as there were a year or two ago.

Mr. MORAN: It is not always a question of inconvenience. Sometimes it is a matter of convenience or privileges. For example a bilateral arrangement may have been entered into with a country and as a result a visa is not required.

That would save him the trouble of going to Montreal or having somebody on his behalf attempt to obtain a visa when one is not required. I refer to such countries as Belgium, The Netherlands, and France, etc.

*By Mr. Graydon:*

Q. Is there any reason why, when applying for a passport one should not ask for a passport to all countries?—A. I do not suppose there is any reason. I just do not know. But the reason Mr. Moran has given was that of possible inconvenience to the applicant as the result of local regulations in the country to which the traveller proposes to go.

*By Mr. Stick:*

Q. Would it not be advisable for this country to know to which country or countries a person was going?—A. There might be an argument against that which suggests itself to me.

*By Mr. Macnaughton:*

Q. The restrictions came into force about the beginning of the war and have more or less continued. But I got a passport last summer which read for all countries.—A. A few years before it was restricted.

Q. In China when we had trouble with the communist government we had to safeguard our people. We wanted to know how many people were in China in order to be able to get them out.—A. I think that Mr. Moran is calling the head of the consular division in order to get some enlightenment. I am not fully informed.

Mr. GRAYDON: They will issue a passport to all countries if you ask for it.

Mr. STICK: I think they should keep a check on where you are going in case of trouble.

*By Mr. Fleming:*

Q. Mr. Graydon's point is one I would like to have clarified. Are there any countries anywhere today for which our Canadian passport office will not issue to a Canadian a passport endorsed for travel to those countries?

Mr. MACNAUGHTON: Germany and the Iron Curtain countries, I would think.

The WITNESS: Are there any countries to which the possession of a valid Canadian passport would not admit a valid traveller?

*By Mr. Fleming:*

Q. No, it is not quite that. Are there any restrictions or limitations imposed in the passport office itself here on the list of countries that will on request be enumerated on the passport?—A. As the committee has already seen, I am not an expert in these matters. But I will be glad to find out for you.

Q. The stock question which we have had each year on this item is how close is the office up to the incoming work?—A. I think perhaps a little too close; I am not sure. My worry now is quite the reverse of what it would have been had I been deputy minister a couple of years ago. The office is so up to date that it can issue a passport in twenty-four hours and I am a little afraid that is almost too fast for accurate work. That may be an undue concern but certainly they can issue passports rapidly now and they have a very efficient assembly line system.

The CHAIRMAN: Shall the item carry?

Mr. FRASER: No, Mr. Chairman. I have before me Privy Council Order No. 839 regarding official passports. Members of parliament in the past have

had the privilege of getting an official passport but now members of parliament and senators are really denied this privilege. If passports are given they are taken away as soon as a member has returned from his trip. My question is why should not members of parliament and senators receive official passports?

The CHAIRMAN: Mr. Fraser, on a question of that kind all we can do is to make a recommendation from the committee to the government.

Mr. FRASER: Well, Mr. Chairman, we had the privilege before, but according to this order in council it has been taken away from us. There are many persons listed in the order that do receive them, such as the Chief Justice of the Supreme Court who can get one for five years. It also says the wives and minor married children of all the above persons can obtain official passports, but members of the Senate and of the House of Commons cannot do so.

Mr. MACINNIS: Would not an official passport be a passport where the government would have some control over the activities of the person getting the passport? If that is so, I am sure that the member from Peterborough would not agree to the government having any control over his actions.

Mr. FRASER: This order in council says that the minister has the final say and I think, as far as members of parliament and the Senate are concerned, the minister should have the final say.

Mr. MCCUSKER: If the passport was granted for five years a member might not last that long.

Mr. FRASER: That is not the point.

The CHAIRMAN: Mr. Fraser, would you give the whole list of people who can obtain permanent passports?

Mr. FRASER: Diplomatic passports?

The CHAIRMAN: No, official passports.

Mr. FRASER: The list is:

- (a) The Governor General (if a Canadian citizen) and Lieutenant Governors; passports to be valid for five years;
- (b) Members of the Federal Cabinet; passports to be valid for five years;
- (c) The Chief Justice of the Supreme Court of Canada; passport to be valid for five years;
- (d) Ambassadors, Ministers, High Commissioners and Officers of diplomatic rank serving Canada abroad, including Attaches, Trade Commissioners and Consular Officers; passports to be valid for five years;
- (e) Canadian officers and representatives on international bodies and other Canadian citizens holding diplomatic or similar status in international organizations recognized by Canada; passports to be valid for the duration of the holder's mission, but not to exceed five years;
- (f) Other officials of the Canadian Government proceeding abroad on a mission of diplomatic character; passports to be valid for the duration of the holder's mission, but not to exceed one year;
- (g) Wives and minor unmarried children of the above persons travelling with the husband or father or proceeding to join him at a post abroad; passports to be valid for the same period of time as the passport of the head of family;
- (h) Canadian diplomatic couriers; passports to be valid for the duration of the holder's mission, but not to exceed one year.

The new official passports shall be issued at the discretion of the Secretary of State for External Affairs, and in accordance with the attached regulations, to



persons within the following categories; with the provision that the passport shall expire automatically and be surrendered by the holder upon the termination of his or her official status.

- (1) Permanent Canadian Government officials of non-diplomatic status proceeding on an official mission or to a post abroad; passports to be valid for the duration of the holder's mission, but not to exceed five years;
- (2) Canadian citizens employed in a non-diplomatic capacity by international bodies or organizations recognized by Canada; passports to be valid for the duration of the holder's mission, but not to exceed five years;
- (3) Wives and minor unmarried children of the above mentioned classes (1) and (2), travelling with the head of family at Government's expense;

—members of parliament and senators do not do that—

“passports to be valid for the same period as the passport of the head of family;

- (4) Justices of the Supreme Court of Canada (except the Chief Justice of Canada) and of the Exchequer Court of Canada, Members of the Senate and House of Commons, when travelling abroad on an official mission of a non-diplomatic character; passports to be issued for the duration of the holder's mission, but not to exceed one year;

In all cases the Secretary of State for External Affairs shall have discretion to decide the period of validity for which a diplomatic or an official passport should be issued and to give a ruling as to whether a particular official mission is to be considered of ‘diplomatic’ character.”

Mr. HARRIS: Do you object to retaining the passport for a year?

Mr. FRASER: You are not allowed to.

Mr. HARRIS: Yes you are.

Mr. FRASER: If you are on a non-diplomatic mission they will not issue it.

Mr. HARRIS: They will.

Mr. FRASER: No they will not.

The WITNESS: I was just going to say that the department is bound by the order in council. I am sure that Mr. Fraser understands that. I think that in relation to members of both houses some consideration has been given and a change will be made in the regulations although, of course, I am not competent to say so.

Mr. FLEMING: That was discussed last year.

The CHAIRMAN: There might be some public reaction against us “commoners”. We are elected for a specified number of years and then we must face our electors again. The situation is not the same with respect to the senators who are elected for life.

Mr. FRASER: I am getting at the fact that members of parliament had the privilege of obtaining official passports before this order in council came into being. The privilege was given to us some years ago by the Secretary of State, I believe. This order in council has taken the privilege away.

The CHAIRMAN: We might include an observation on the matter among our recommendations.

Mr. HARRIS: I want to get perfectly clear what rights Mr. Fraser says that a member had previously that he now has not got?

Mr. FRASER: He used to be able to have an official passport for one year.

Mr. HARRIS: You are speaking of "official" and not "diplomatic".

Mr. FRASER: I am speaking of "official".

Mr. HARRIS: You can have an official passport.

Mr. FRASER: A member used to have it for one year.

Mr. HARRIS: And he has not got it now?

Mr. FRASER: He has not got that privilege now.

Mr. RICHARD: Mr. Heeney, you spoke of the passport office in Ottawa. I understand that a building on Bank Street is to be used as the passport office?

The WITNESS: Mr. Moran informs me that he has been told by Public Works that arrangements have been made for that move by the passport office.

Mr. MORAN: Yes, Mr. Richard may have more recent information than I have on accommodation and locations but it is the Booth building next door to the Bank of Montreal that has been allocated to External Affairs for use as a passport office.

Mr. RICHARD: The latest information I have is that a store is being vacated and they are going to use it as a passport office.

The WITNESS: Mr. Moran has obtained an answer to the question of the issue of passports, and I have an answer to the question of whether we refuse passports to any countries or whether we grant them to all countries. We do not refuse them to any country for which an applicant wishes a passport issued.

Mr. MORAN: Just to complete the record so there will not be any unanswered questions. I have consulted with the head of the passport office. There are two reasons for writing to an applicant and asking the countries to which he is travelling, and I have given you those reasons. The action is based on past experience. Canadian travellers have met difficulties abroad and later felt that it was an obligation of the Department of External Affairs to have warned them. They have written to the department and have not accepted the explanation that it was not known they were visiting that particular country. The policy has been adopted of writing back and asking the applicant for the names of the countries he wishes to visit. If the applicant refuses to give the names a passport is issued to all countries, but the refusal to name the countries is kept on record. I am further told that there are only two countries left in which difficulties may be encountered. They are Germany and Japan. There was quite a number of such countries until recently but Germany and Japan are the only ones left on the list.

Mr. GRAYDON: May I ask another question with respect to passports? In view of the difficulties which seem to be prevalent when some of our citizens go across to the United States, is there any special consideration given to watching that the wrong people do not get passports out of this country?

The WITNESS: Well if you are asking whether the department scrutinizes the applications from that point of view, I am not aware of it.

The CHAIRMAN: The division bell is ringing and we will have to close. Shall we meet again tomorrow at 3.30?

Agreed.













SECOND SESSION  
HOUSE OF COMMONS

Government  
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

WEDNESDAY, NOVEMBER 23, 1949

WITNESS:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1949





## MINUTES OF PROCEEDINGS

WEDNESDAY, November 23, 1949.

The Standing Committee on External Affairs met at 3.30 o'clock.

Mr. Joseph A. Bradette, the Chairman, presided.

*Members present:* Messrs. Balcer, Bater, Benidickson, Bradette, Breithaupt, Coldwell, Croll, Dickey, Fleming, Fournier (*Maisonnette-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Hansell, Harris (*Grey-Bruce*), Laing, Leger, MacInnis, Macnaughton, McCusker, Picard, Pinard, Richard (*Ottawa East*), Robinson, Stick, Winkler,—28.

*In attendance:* Messrs. H. O. Moran, S. D. Hemsley, Marcel Cadieux and M. H. Coleman.

Before the opening of the meeting, Mr. Hume H. Wrong, Canadian Ambassador to Washington paid an unofficial visit and renewed his acquaintance with the chairman and the members of the committee then present.

The Committee continued its consideration of the estimates referred.

The Chairman called Vote 52—Passport administration.

Mr. A. D. P. Heeney was recalled. He supplied replies, in the form of notes, to questions asked at the previous meeting, namely,—

1. The scale of assessments and contributions to the United Nations by member contributors.
2. The contributions to United Nations by certain eastern European countries.

The witness again answered questions on the issuance of passports. He was assisted by Messrs. Moran and Hemsley.

At 3.55, the immediate attendance of the members being requested in the House, the proceedings were suspended.

The Committee resumed at 4.15 on Vote 52 which was carried.

The Chairman called Vote 53—Representation abroad.

The witness supplied answers to Mr. Fraser's questions on capital expenditures on properties abroad and relevant matters.

Mr. Graydon examined Mr. Heeney on the status of newspaper correspondents.

Mr. Fleming questioned the witness on staff posted abroad, on rates of exchange in France and accommodation abroad. He reiterated a suggestion he made in the House that Mr. Heeney make a personal visit on Canada's European accommodations.

Vote 53 and 54 were carried.

Vote 55 was also carried.

The Chairman called Vote 56.

Mr. Heeney quoted a report of Mr. T. C. Davis, Canadian Ambassador to China, to the effect that all Canadian citizens in fighting areas were safe and well.



After discussion, Mr. Dickey moved that the matter of having the Canadian Ambassador to China, Mr. T. C. Davis, now in Canada, appear before the Committee be referred to the subcommittee on agenda with instructions to report their recommendation to the Committee.

After further discussion, Mr. Dickey was allowed to withdraw his motion.

Vote 56 was carried.

At 5.45 the Committee adjourned until Thursday, November 24 at 3.30 o'clock.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## EVIDENCE

November 23, 1949.

The CHAIRMAN: Gentlemen, we will now call the meeting to order. I want to thank you for coming, because, with some interesting debates going on in the House at the present time, it is difficult to get the members to attend a committee.

### A. D. P. Heeney, Under-Secretary of State for External Affairs, recalled:

The CHAIRMAN: We are now on Vote 52, and Mr. Heeney is prepared to answer some of the questions which were put to him yesterday. I must ask the members of the committee and the officials to speak not too slowly but fairly slowly and as loud as they possibly can. Will you kindly proceed now, Mr. Heeney.

The WITNESS: Thank you, Mr. Chairman. Yesterday Mr. Graydon, and I think other members of the committee, expressed interest in the contributions of various nations to the United Nations, particularly to the United Nations itself and to the specialized agencies of the United Nations. I have a short note here which I propose to read into the records, if it is agreeable.

The CHAIRMAN: Is it agreeable?

Agreed.

The WITNESS: And further, I would like to give a list of the percentages of the member contributors. It might also be of interest to have those percentages in the record.

Mr. GRAYDON: The list will be up to date, I suppose?

The WITNESS:

The primary responsibility for making recommendations to the General Assembly for the assessment of contributions of member states of the United Nations rests in the Committee on Contributions, a fourteen man body elected for staggered three-year terms of office by the General Assembly. Under its terms of reference the Committee is required to apportion expenses 'broadly according to capacity to pay' and in the measurement of 'capacity to pay' the comparative estimates of the national income are considered. *prima facie* to be the fairest guide. However, other factors are taken into account, including comparative income per head of the population, temporary dislocation of national economies arising out of the Second World War, and the ability of members to secure foreign currency.

In the first scale recommended in 1947 the Committee on Contributions pointed out the extreme difficulties arising in obtaining reliable current statistics and evolved, therefore, a formula based on the best available pre-war statistics adjusted to take into consideration war-time dislocation and the other factors mentioned in its terms of reference. In this scale the United States would have been assessed 49·89 per cent while Canada would have paid 3·10 per cent. However, the Fifth Committee of the General Assembly decided that, as a matter of sound policy—

The fifth committee is the administrative committee.

—'in normal times' no one government should be required to contribute more than one-third of the total budget and that, under existing circumstances, the United States' contribution should be set at 39·89 per cent.

The scale fixed for the United States at 39·89 per cent was, in effect, a ceiling on the assessment of the rate of payments. I have with me a table showing the "scale of assessments for the apportionment of the expenses of the United Nations". This table shows the ten highest contributors, and it reads as follows:

"United States of America ..... 39·79 per cent"

This table is actually adjusted since part of the time I have read.

United Kingdom of Great Britain and Northern Ireland .....	11·37 per cent
Union of Soviet Socialist Republics .....	6·34 per cent
France .....	6·00 per cent
China .....	6·00 per cent
India .....	3·25 per cent
Canada .....	3·20 per cent
Sweden .....	1·98 per cent
Australia .....	1·97 per cent
Argentina .....	1·85 per cent

*By Mr. Graydon:*

Q. That looks as if poor old China has to pay as much, practically, as the Soviet Union. —A. China pays six per cent as compared to the Soviet Union with 6·34 per cent.

Q. It would appear to be a nominal set-up, as far as the ability of the nations to pay or as far as their own estimation of their own importance is concerned.—A. Yes. It is evident, in any event, that the Nations would not accept those percentages as representing their own estimation of their own importance.

This figure was accepted by the United States on condition that the scale would be revalued, in succeeding years, on the basis of new evidence which would become available. Accordingly, 39·89 per cent became, in effect, the first "ceiling" on the scale of assessments. The Canadian contribution under this scale was set at 3·35 per cent.

Since that time the scale of assessments has been reconsidered annually both in the Committee on Contributions and in the General Assembly. Each year, despite the fact that the Assembly has called upon member states to assist the committee in its work by the provision of adequate and reliable statistics, the committee has been seriously handicapped by the lack of such information. Accordingly, apart from minor changes to provide for the admission of new members, there has been no significant modification of the original scale of assessment. In 1948, however, Canada secured recognition of the principle that the per capita contribution of any member shall not exceed the per capita rate of the member making the largest contribution.

A table showing the scale of assessments for the 1950 budget is appended to this memorandum. The ten highest contributors have been indicated in red. It might be noted that the committee has recommended that the 1950 scale should be the same as that for 1949 with minor modifications affecting the contributions of Sweden and the United States. The Canadian assessment remains at 3·2 per cent, at which figure it was set in 1948 after the admission of several new members.

Thus it will be seen that from the first Canada has been one of the major contributors to the United Nations budget. This has been due not only to the fact that the basis on which the Committee on Contributions determines "capacity to pay" automatically places Canada high (seventh) among the member states, but also because Canadian statistical and other information provides an immediate and reliable reflection of changes in the



Canadian economic situation. Therefore, in contrast with certain other member states whose true "capacity to pay" is not apparent, the Committee on Contributions is always in a position to recommend adjustments in Canada's percentage contribution.

In order to safeguard the Canadian government against unwarranted increases in the Canadian contribution, the Canadian delegation has generally supported the United States ceiling proposals and has expressed extreme disappointment with member states who have not yet provided information which would have permitted the Committee on Contributions to make definitive recommendations for revision of the scales. In the Canadian view it was time to recognize the vast improvement in the economic position of many governments such as the countries of eastern Europe, which had been given special consideration when the original scales were established, and certain Latin American states which seem considerably under-assessed at the present.

The Canadian position might therefore be summarized as follows: the Canadian government is convinced that it is now paying more than its reasonable and equitable share of the total United Nations budget. Therefore, Canada is not prepared to have this share increased whether this results from adjustments in the contributions of other member states or from adjustments of the ceiling. Nevertheless, Canada does wish to see an equitable and sound scale arrived at as soon as possible. For that reason, if any proposals directed toward achieving equity were to be introduced, the Canadian delegation would support them, provided always that the new scale did not require Canada to assume a disproportionate share of the burden.

I also have a note with me, Mr. Chairman, which provides a little further expansion of this matter which was discussed yesterday; I mean the contribution of certain eastern European countries. It is just a short paragraph and I would like to complete the statement by reading it.

We have recognized for several years that the contributions from eastern European countries to the United Nations are not adequate. We accepted the fact that special allowance should be made for these war-devastated countries in the original assessments.

It is of course true that the U.S.S.R. and the other countries whose assessments now may be thought to be below what they should be all fall within the war-devastated class and category.

Mr. GRAYDON: And so does Britain.

The WITNESS:

In our view, however, allowance should now be made for the results of reconstruction. Like the United States and other countries, we have been particularly annoyed that the communist leaders should continually boast of the much greater economic progress being made in their countries than in capitalist countries without having to pay for this progress in the United Nations. The major difficulty is, of course, that none of these countries produces adequate statistics and it is most unlikely, for security reasons, that they will do so in future. Our delegations to the last two U.N. Assemblies have taken the opportunity, however, to point out this anomalous situation.

In fact Mr. Jutras, who was the principal representative of Canada on this committee at this last assembly did make a statement along those lines in the committee.

Mr. GRAYDON: I think there ought to be, if I may say so a reasonably high percentage assessed against the Soviet Union, then let the Soviet Union

prove that they cannot pay it because you will never be able to prove that they can. I think it would be a good thing to put the onus the other way. They cannot blow hot and cold in this business. They attempt to monopolize a very important position in the United Nations and they are not paying their way. They cannot have it both ways; and I think the Canadian delegation might very well give some consideration to that because the Soviet Union, from what little information we can get, is not spending all their money entirely on repairing devastated areas. There is some money going into other places too which I think ought to be taken into consideration.

Mr. FLEMING: And from what information we have it seems that they are responsible for devastating in recent times too.

Mr. FRASER: The population of Russia would have a lot to do with the rate they have here, and that is why Russia's assessment is as low as this.

The WITNESS: That would be one factor that would reduce the assessment, based on national income. They would work on a per capita income basis which would tend to reduce their assessment, and taking into account the devastation factors we cannot meet them because we have not the information in any precise form; but I am sure what Mr. Graydon has said will find sympathetic ears among the Canadian delegation.

Mr. GRAYDON: I do not see why our taxpayers should have to pay some of the tax burden that the Russian taxpayers should pay.

*By Mr. Green:*

Q. Are these figures based on the total amount paid to all the United Nations organizations? For example, we pay over \$200,000 to the International Labour Organization.—A. I was speaking solely of the United Nations itself, the parent organization, not of the specialized agencies. I think I am right in saying a figure of 3.2 per cent is the one used as the basis for most of the specialized agencies.

Q. Do we have the same rate in all the specialized agencies? For example, the Food and Agricultural Organization, and the International Civil Aviation Organization?—A. Mr. Chairman, I understand that the precise answer is, no. The same percentage is not applicable throughout, although that is the guide modified by factors such as the special interests which certain countries may have in the agencies.

*By Mr. Fleming:*

Q. There is another factor too, is there not, that some of the members of the United Nations are not members of the specialized agencies and consequently there is no assessment against them.—A. The Soviet Union, for example.

The CHAIRMAN: Are there any further questions about what was outlined by Mr. Heeney yesterday?

*By Mr. Harris:*

Q. Did Mr. Jutras in his address make an unfavourable comparison between the Soviet Union and our own contribution, or was he simply arguing against the extent of our own contribution?

Mr. MORAN: No, it was not directed solely to the Canadian contribution.

Mr. HARRIS: I think this committee would agree entirely with what he said.

The CHAIRMAN: We are now on Item 52. Shall Item 52 carry?

The WITNESS: I have an answer to a question that Mr. Graydon asked just as the committee was adjourning yesterday. Mr. Graydon, if I recollect correctly, asked whether the passport office in considering applications for passports took into consideration—

Mr. GRAYDON: I may not have phrased my question very well but perhaps I can clarify it now. What I was anxious to know was what precautions the department takes to make sure that passports do not get into the hands of persons whom I think I termed yesterday as the wrong people; and when I mentioned the wrong people I meant people who might be considered somewhat dangerous to our nation and to whom, perhaps, we would not want to give passports to go to some other places.

The WITNESS: My understanding of the position is that the passport officers who have before them applications do not consider it as part of their functions to scrutinize other than the identity of the applicant and accuracy of the statements made in the application. They do not regard their functions as including anything in relation to security, for example.

*By Mr. Graydon:*

Q. Is there any liaison between the authorities of the department of government that deals with the question of security and the passport office at all? For instance, supposing a well known communist in Canada decides that he wants to go to the United Kingdom, does he get his passport just simply because the magistrate or the clergyman says he should have the passport?—A. I think the deposition, if I recollect correctly, of the magistrate or clergyman is simply as to the identity of the applicant. I do not think the issuing authority would concern itself with the political views of the applicant, political in that sense. As for any relationship between the passport office and those authorities responsible for security, I think I shall have to leave that question for others to answer.

(Proceedings suspended)

The CHAIRMAN: Order, gentlemen. As we have all returned safely from the chamber and the vote, we shall proceed with our activities. Mr. Graydon, have you any further questions to ask of Mr. Heeney on the point raised by you just before the recess?

Mr. GRAYDON: No, not on that point; but as we go along I would like to ask further questions.

Mr. FRASER: If I remember rightly, when I was in the U.S. office in Toronto, I found that they would not give a visa or passport until they looked in a card index which they keep. That card index contains the names of all persons who have violated the laws of the United States. Have we got something in the way of an index?

The WITNESS: I think you are there distinguishing between the grant of a visa and the issuance of a passport. A visa is of course a permit to enter a certain country, issued by that country. It is a practice of many countries to look into the background of individuals who apply for visas. In connection with the point you raised, Mr. Graydon, we do the same thing ourselves.

Mr. MACINNIS: Mr. Chairman, perhaps I can have this point cleared up. I have had the idea that a passport is merely a certificate of citizenship. Are there any circumstances under which the government would refuse a passport to a Canadian citizen?

The WITNESS: Mr. Chairman, as I said, and as I am afraid is quite evident, I am not an expert in matters of passports. My understanding of the situation is, however, that the issue of a passport is not something which is granted as of right to a citizen but something which, at least in theory, is granted as of grace. On the other hand, I do believe that the practice is to issue passports to all who apply and who establish their identity and citizenship. I do not think one can say much more as far as that question is concerned. I know of no case myself of an applicant, whose identity and citizenship have been established, being refused a passport.



The CHAIRMAN: Shall item 52 carry?

Carried.

Item 53, representation abroad.

Mr. GRAYDON: I do not know whether the point I had in mind comes under passport administration or under this item, but perhaps we can deal with it here. Have we a reciprocal arrangement with the Soviet Union for the exchange of newspaper correspondents between Canada and Russia? Is there an arrangement made between the Soviet Union and Canada, and do our correspondents get the same privileges in Moscow that the Soviet Union correspondents would normally get in Ottawa?

The WITNESS: Mr. Chairman, so far as I am able to answer that question, there is no arrangement between the two governments with respect to an exchange of correspondents. The facilities open to a Soviet correspondent in this country are, as you know, quite extensive. The facilities which would be open to a Canadian correspondent in Soviet Russia are, as you also know, very strict and limited.

Mr. GREEN: Our correspondents in the Soviet Union would have the same rights as correspondents from the United States?

The WITNESS: They might be granted the same rights but I do not know of any case or instance of an application being made for any particular right as a foreign correspondent. I cannot see any reason why there should be any difference in the treatment of our correspondents and any other correspondents from the western countries. They have no great freedom as you understand.

*By Mr. Graydon:*

Q. May I ask this? Are newspaper correspondents who come here from the Soviet Union granted any diplomatic privileges or immunities by this country—bearing in mind they come from the Soviet government?—A. My understanding is that the only Soviet correspondent in Canada at the moment is a member of the Tass agency. The Tass agency is an arm of the Soviet state—a government organ—and I do not believe the correspondent appears on the diplomatic list, but I do not know.

Q. In other words the Tass correspondent has no diplomatic immunities or diplomatic privileges in this country beyond what the ordinary person coming from the Soviet Union would have?—A. I understand not, Mr. Graydon, but it is in part a legal question which I would not like to attempt to answer. Some members of the committee may have in mind a case in the United Kingdom in which a Tass correspondent pleaded diplomatic immunity, I think in defence of a libel action; and as I recall the circumstances the court accepted the plea and the action was dismissed. But the whole question is, perhaps, not only a question of fact but also a question of law, where your opinion would be a great deal better than mine, Mr. Graydon.

Mr. STICK: All these correspondents are treated alike, however; I understand that it is the general policy.

The WITNESS: That is generally true, yes.

The CHAIRMAN: Shall the item carry?

Mr. GRAYDON: Mr. Chairman, before you go on may I say that I have just been informed of a very important news dispatch which bears on this subject, and that is a Reuter's Bulletin, London, which says that the British Government announced today that it may change the law conferring diplomatic immunity on Tass, the official Russian news agency.

The WITNESS: A member of the press gallery called me this morning and informed me of that, but we have as yet no official information on the matter. I have no doubt that the report is correct, but the matter is not yet officially before us.

Mr. GRAYDON: The Canadian Government, I take it then, does not grant immunity to a particular department as far as this country is concerned?

The WITNESS: I am not sure that it is correct to speak of the granting of diplomatic immunity. Diplomatic immunity is a matter of law, to be determined in part by names on the diplomatic list, those who are on the secretariat of the country concerned. I speak with some diffidence on this. However, if an individual is a member of a diplomatic mission, included on the diplomatic list as such, he may in an action plead that he is immune from civil action or prosecution. The extent of immunity is one which has no precise definition in law. As I understand it, it is not a matter of statute in this country but a matter of common law; and that a court will or will not accept a plea of immunity. It varies a great deal according to circumstances and according to the type of proceeding in which this plea is made.

Mr. GRAYDON: Now, is the representative of Tass Agency in Canada attached to the Russian Embassy here; is he part and parcel of the embassy officially?

The WITNESS: Well, I just checked that question with the officials, and I am told that he is not included on the diplomatic list. We have been informed that Tass is the organ of the Soviet state; but as to whether one of their correspondents could successfully plead diplomatic immunity in the event of becoming involved in a proceeding I do not think I am capable of saying.

Mr. FLEMING: Are we still on item 53, Representation abroad?

The CHAIRMAN: Yes, we are still on 53.

Mr. FLEMING: Mr. Chairman, just for clarity, does this item include the expenditures on buildings of the department abroad?

The WITNESS: Might I interrupt for just a moment to say that I have inquired about the status of that return to which Mr. Fraser referred—

Mr. FRASER: Yes, I have it here.

The WITNESS: I just wish to say that it will be tabled in the House, I take it, tomorrow.

The CHAIRMAN: Do your questions, Mr. Fleming relate directly to item 53, or would they come under 54?

Mr. FLEMING: Well, item 53 is Representation abroad, is it not, Mr. Chairman?

The CHAIRMAN: Yes, it relates to staff and property and so on.

Mr. FLEMING: This question has to do with the operation of relief credits.

The WITNESS: That is a different matter again.

The CHAIRMAN: And perhaps you will note also that the estimates for the year 1950 are on page 9.

Mr. FLEMING: The item on representation, I take it, is the item that includes expenditures for capital, and also covers accommodation for diplomatic representatives abroad.

The CHAIRMAN: They are divided into two items, No. 53 and No. 54, but they are practically the same; if we pass one you could take up anything you like with regard to both on the other.

Mr. FRASER: You want that particular vote to pass then?

The CHAIRMAN: Yes.

Mr. FRASER: That would be all right. I have a question to ask.

Mr. FLEMING: Mr. Fraser has his return in front of him so maybe he had better start asking his questions first.

*By Mr. Fraser:*

Q. The return is not in yet, but the order for return went out under date of October 27, and as Mr. Heeney has said that it will probably be tabled tomorrow, it will probably contain much of this information. This return gives the salaries of the different high commissioners, ambassadors, and so on. In regard to the high commissioner in the United Kingdom—that office is under Mr. Wilgress—it gives his salary for a very short period, March 15, 1949, to March 31, 1949, \$548.39, but during that time for living expenses and one thing and another of that nature there is an item \$1,136.86. That is for a period of only fifteen days.—A. Well, from there he was transferred to another post.

Q. He was transferred from Switzerland to London?—A. Yes.

Q. And while on that, he has had \$10,838.60 for living and representation allowance. Now, what I want to ask is this: What items does that really cover? My question was concerning living and representation allowance. The living allowance would be hotel expenses or things of that nature that are allowed by the department, but what is the representation allowance; what does that cover?—A. I think it would be a good thing if I asked Mr. Hemsley, who is head of the administrative division, to explain representation allowance in general terms and then we could, if you wish, dispose of the particular question in relation to Mr. Wilgress or anyone else.

Q. I just picked out that name because he was moved from one place to another.

Mr. HEMSLEY: We take the posts abroad and decide first, without reference to cost of living in those countries, what would be a total amount of remuneration considered appropriate for each head of post to do his work, and in determining that amount we reflect the importance of the post and also the customs of the country. In some places custom requires that they need more than they do in others. Having determined the basic amount of remuneration, we then apply to it the cost of living index for the post as determined by the Bureau of Statistics; so that, for instance, if the total remuneration for a post is \$15,000 and the Bureau of Statistics says that the cost of living index in that country is 150 as compared with Ottawa at 100, then the \$15,000 will go up maybe another \$5,000. That gives the actual remuneration in that post of \$20,000. And then if we deduct salary from the \$20,000, the balance is the allowance. It is not broken down into living costs or representation. It is lumped, living and representation, because for the head of a mission a residence is provided free of charge. I should mention that the cost of living index for the post is not applied to the total amount of the salary and allowance but to seventy per cent of it on the understanding that a man will have thirty per cent of his total remuneration left behind in Canada for commitments here such as income tax, superannuation and so forth.

The WITNESS: There are, indeed, three elements in the total take, as it were, of the heads of missions. There is first of all his salary which is determined in relation to other civil servants' salaries and in the case of a head of mission is fixed by order in council; his appointment is by order in council. These salaries vary from \$8,000 to \$12,000. The second element of what I call the take is the basic remuneration, which is a figure which is arrived at in the manner Mr. Hemsley has just been describing, and it might be as he said \$10,000 plus \$5,000, a total of \$15,000, the basic remuneration required in capital X. Then the third element is the residence that is provided for the head of mission which may be either owned or rented premises.

Mr. FRASER: But then on top of that would you not have to take into consideration the entertainment that that ambassador or post would carry?



Mr. HEMSLEY: That is what his allowance is provided for.

Mr. FRASER: He has to do that himself?

Mr. HEMSLEY: With the money provided, yes.

The WITNESS: That is one of the things which he is expected to provide from the amount he receives in addition to his salary.

*By Mr. Fraser:*

Q. That is on top of the salary?—A. That is right.

Q. Here is one example, Argentina. The salary is \$10,000 and under living and representational allowance, \$14,454, which is more than the salary. That does not bear out just what was said by Mr. Hemsley that you cut that in half.

Mr. HEMSLEY: No; in that case the post that you have mentioned there is both a high index post and a high post graded from the point of view of representation. Speaking from memory I would judge that the post at Buenos Aires requires \$17,000 total remuneration, assuming that the costs in Buenos Aires are the same as they are in Ottawa; but when you apply the Argentine index to the salary and the basic allowance you get quite a substantial amount. Really you should consider the expenditure on heads of mission abroad not as salary and allowances, but total remuneration.

Mr. FRASER: Of course, a man should, when he is in a place like that, have enough money to be able to live in the station of life that this department has put him.

Mr. HEMSLEY: Yes, in the case you have mentioned that gentleman would have a total of \$24,000 to perform the work that we ask him to perform in Argentina.

Mr. FRASER: And I doubt if that would be any more than enough. I have lived in the Argentine and I know what it is like.

Now there is another question here and I believe it comes under the same item. It is in regard to the house that was purchased or the embassy that was purchased in London, England. The cost is shown at \$88,847.05, but the repairs et cetera amounted to \$215,000. Now why would that be?

WITNESS: I think Mr. Moran will answer that question.

Mr. MORAN: It is a house in which very substantial repairs have had to be done for three reasons: First, to repair bomb damage that had been done to the building during the war of which the purchaser was aware at the time the building was purchased. That incidentally, is one of the reasons that the house was available at \$88,000; second, it was necessary to make certain alterations and repairs to make the premises suitable for the purposes for which it was to be used; third—and this amount ran into a very substantial figure and is the same thing that has been discovered in the roof of the east block—a certain amount of dry rot had set in.

Mr. GRAYDON: That is in the building?

The WITNESS: In the building, yes.

Mr. MORAN: We had an architect's certificate supplied to establish that it was the type of thing that could not be discovered in a normal examination and investigation of a building that is carried out by a prospective purchaser. In fact, it might not have been discovered at all if it had not been that one of the repairs necessitated going into the wall and made it possible for the dry rot to be discovered. Those are the three items that have led to repairs of this substantial nature.

Mr. McCUSKER: When we purchase a building in a foreign country do we have the inspection carried out by our own engineers or do we retain engineers of the country in which we are purchasing the building?

Mr. MORAN: It is a combination of both. We have only one man available and when possible he goes to the city in which the purchase is to be made and makes certain inspections of his own. Where he considers it appropriate he will employ some local agents to assist him. In those cases where our own man is engaged elsewhere and cannot get to that city the head of mission obtains an estimate or an appreciation, from two or three independent engineers or assessors.

Mr. McCUSKER: I do not want to cast any reflections upon the engineers or assessors of any other countries but I think it should be possible to use our own.

Mr. MORAN: That is done almost exclusively as witness the fact that our man has just recently returned to Ottawa for the first time in a year and a half.

Mr. FRASER: Is he the same man who appeared before our committee here a couple of years ago?

Mr. MORAN: Mr. Antoine Monette.

Mr. FRASER: Before our United States embassy was purchased?

Mr. MORAN: Yes.

Mr. FRASER: May I also ask this question? Is the property that was bought in 1946 in Nanking still retained by us?

Mr. MORAN: Yes, it is still retained and is still occupied by us in Nanking.

Mr. GRAYDON: Is that a prefabricated embassy?

Mr. MORAN: Yes.

Mr. FRASER: That is the premises in which the land cost \$53,299.58 and the building \$125,901.11 and local improvements—I suppose that would be sewers, electric light, et cetera—cost \$21,434.31, making a total of \$200,635.00.

The WITNESS: That is correct. It really constitutes a compound as I understand it for the ambassador and his staff because conditions in Nanking, as the committee will appreciate, are quite abnormal and provision had to be made for members of the staff in addition to the ambassador.

Mr. GRAYDON: I understand that in connection with the Chinese embassy a new experiment was tried so far as our embassy building there is concerned; and having in mind experiences at Chungking I understand that prefabricated dwellings or buildings were sent from this country to China for the purpose of erection in Nanking. Would one of the witnesses care to indicate as to whether or not that experiment has been a success and what is the view of the department with respect to that?

The WITNESS: I asked the ambassador about that when he came home. The department and the treasury board examined the proposal and we were really at a loss to know how we could have proper accommodation for an ambassador and his staff in Nanking when he was posted there. Various proposals were scrutinized, and the proposal to provide prefabricated buildings was one, and after that scrutiny it was accepted and approved, and Mr. Davis tells me he is quite satisfied that it was successful and that without that provision they would have been very much hampered in their work. They were able to concentrate the personnel in the compound there and they were able to perform their work pretty efficiently, and although the total cost by Canadian standards seemed to be pretty large for prefabricated buildings yet by the standards of China I am sure they are comparatively modest.

Mr. MORAN: Mr. Davis has made a calculation and says we would have been paying \$36,000 a year rental for the same accommodation if he had been able to find any in Nanking.

Mr. GRAYDON: In other words, our real estate transaction there was more successful than the one in Chungking?

The WITNESS: I am afraid I do not remember the Chungking situation. I was not in the department then although I could easily find out.

Mr. MORAN: May I read Mr. Davis' comment on Chungking? He makes reference to it and says:

However, taking into consideration the amount of the rentals which otherwise would have had to be paid I doubt if the loss to the Canadian government was actually great.

Mr. BATER: Are our properties in China all intact at the present time?

The WITNESS: Yes, they are.

Mr. FLEMING: There are some things I would like to say in general about these posts abroad before coming back to ask some specific questions about some of the other properties. I will make my remarks brief. They are based on what I saw, and discussed with our representatives at our European posts in Athens, Rome, Paris, Brussels, The Hague, Copenhagen, Oslo and Stockholm. I am not saying anything at the moment about Berlin, or about Canada House or about our post at Dublin. I would like to say, in the first place, that I think it is a matter of some urgency that the under-secretary should make a personal visit to these posts abroad. There are some problems there—some peculiar to each; some common to all—that I think can be solved only if one holding the responsibility of the under-secretary sees these problems at first hand. Some problems relate to property, some to staff. Now, the first point I would like to mention is in regard to staff. At practically every one of these posts there was a complaint of under-staffing. I am not in a position to say whether the complaint was justified or not but I do say that that is something that should be looked into and should have the personal attention of the under-secretary if he can see his way clear to make a visit to these posts abroad.

The second point is this: Exchange difficulties have created a great deal of difficulty for some of the members of the staff. Again, the effect of exchange difficulties has not been uniform in the different countries. I think of a place like Paris, taking it as an example. When I was there there were actually three exchange rates prevailing in Paris. There was an official rate of exchange—I think it was 260 francs to the dollar—then there was a bank rate of something like 312 to the dollar, and then there was the third rate which I will not name at the moment which apparently was the one which ran 440 to 460 to the dollar. Our representatives over there—I am thinking at the moment particularly about members of the staff—were naturally obliged to exchange at the official rate which is the low rate and that did not begin to represent the expenses they had to meet; at least not the exchange rate of expenses they had to meet. Now that is a situation that I think is reacting on a number of the members of the staff. I am not suggesting it is confined to Paris, although I know it to exist there. That again is a problem that should be redressed. The third matter is in regard to property; and that leads me to ask one or two questions. Again, as one might naturally expect, our representatives over there have had their problems in obtaining accommodation in many cases. They were, of course, away during the war and in other cases posts have been opened up. I should not say for the first time in these places, but it has been necessary for our representatives to find accommodation; that means accommodation for the staff, the offices, and also living accommodation. In some cases they have been faced with no little difficulty in that respect. Now, the statement that has been given in reply to Mr. Fraser's request shows at The Hague an expenditure of \$194,128 for the acquisition of the property there. Could we have an explanation of that item? When I was there Mr. Pierre Dupuy, our very distinguished ambassador at The Hague, had rented a very fine residence on favourable terms. The chancery was well located, down town in a building of rather fine appearance; but I was given to understand that the purchase of that building was not recommended because it was understood to be sinking. Now I see an item here amounting to \$194,128. Could we have an explanation of that item?

The WITNESS: Would you like that dealt with first?



Mr. FLEMING: Just to suit Mr. Heeney's convenience, Mr. Chairman.

The WITNESS: We might get rid of the particular questions as they arise. I would like to make some general observations on your general remarks first.

Mr. FLEMING: Perhaps it might be better if Mr. Heeney made his general remarks before we got to the particular questions.

The WITNESS: Have you any more general remarks or general questions?

Mr. FLEMING: I have some specific comments to make about accommodation at particular posts.

The WITNESS: I would be glad to make a general answer regarding staff in European posts and in other posts abroad. This suggestion which Mr. Fleming has made that the under-secretary should himself see conditions in these posts has been one which has been in my mind for the past eight and a half months since I have held the position of under-secretary but, unhappily, I have not been able to get away from this continent because of other duties, and I have only been able to visit three of the posts on this continent. However, the committee may be assured that just as soon as it is possible—and I hope it will not be many months from now—I shall visit the European missions that Mr. Fleming has mentioned with a view to obtaining personal knowledge of the problem of the heads of missions and of the other members of the staffs of those missions. I will simply have to leave it to some date when my duties will permit me to get away for that purpose. I attach great importance to that myself and I know the minister has already expressed agreement with the proposal that Mr. Fleming has made and to which he made reference in the house the other day.

Now with regard to the staff at our missions abroad I do not think myself, from such knowledge as I have, that one could generalize and say that our missions are understaffed. I think unquestionably some of them are understaffed at the moment or have been understaffed having in mind their particular duties at a particular time, because the duties of missions do rise and fall particularly in capitals like Paris where in addition to the normal day to day duties of a foreign mission are added the duties which devolve upon our missions in countries where international conferences and meetings are frequently held, as they are in Paris.

In Paris, in London, and in Washington particularly, the incidence of international meetings in which Canada is involved brings considerable additional burden upon the heads of the missions and upon the officers and other members of the staff of the mission. They have to provide the physical services, the clerical services, and, officers of the mission naturally are required to participate in many of these conferences and meetings which are held.

Some months ago there was set up in the Department of External Affairs what we call an establishment committee. This committee, under the chairmanship of Mr. Moran, has amongst its members a representative of the Civil Service Commission on the establishment side. With the co-operation of Treasury Board, who are, of course, also interested, the committee is presently engaged in a careful examination of the establishment requirements of each of our missions abroad.

The heads of our missions abroad have been asked to report to us their needs and to detail their requirements as to types, seniority, experience and qualifications of officers and other staff which they need normally and to meet the unusual requirements which I have mentioned. This establishment committee is also examining the divisions of the department at home. Our object is not to determine an inflexible establishment in each of our missions or divisions but to determine some reasonable standard against which we can measure the legitimate needs as to personnel. That process, as the committee will recognize,

does take some time but good progress is being made. In the meantime we are trying to meet immediate situations as they arise with respect to requirements for additional staff and additional officers in our offices abroad.

Mr. Fleming, you mentioned the exchange difficulty. That is, of course, a great complication in the administration of the pay and allowance regulations. Mr. Hemsley may wish to add something to what I will say. The exchange rates, official and other exchange rates, which have obtained in many countries of the world—I should say most countries of the world—together with the related cost of living index and the variations in the cost of living index, have made it exceedingly difficult to keep abreast of all requirements of employees of the department who serve in those countries. We are making a great effort to keep abreast, but I do not know that we always succeed. Sometimes there is a lag between the development of the actual situation and the determination of the adjustments that have to be made. The extent to which we succeed is not for me to say, but we do try very hard to keep abreast of these situations. One of the things I would certainly wish to take up on such a trip as Mr. Fleming suggested would be the impact of exchange difficulties upon personnel. I do not know whether Mr. Hemsley wishes to add anything?

Mr. HEMSLEY: I was just going to mention that the posts abroad have to report to us the rate of exchange which the staff enjoys when changing their Canadian currency into the local currency. It is upon that reported figure that the allowances are based. In France the free rate of exchange is enjoyed. They do not use the official rate.

Mr. FLEMING: The free rate of exchange is the second or middle rate; it is not the highest rate. The employees there are not in a position to enjoy the most favourable rate.

Mr. HEMSLEY: No, they are instructed not to use the third rate which you mentioned. However, their allowance is higher because they are not allowed to enjoy that rate of exchange.

Mr. FLEMING: That is a situation wherein I think study will repay dividends if the under secretary can make a trip.

The question of possible purchases of property is an additional reason for the under secretary to see the situation first hand. If properties are going to be bought they are presumably being bought for permanent purposes and, as this committee has found in the past, large amounts are often involved. I think before any major step is taken the under secretary should see the local situations first hand.

Probably it might be easier if I were now to make some comments about properties and they can be dealt with in sequence or in whatever way Mr. Heeney and those with him care to answer. I will take Athens first. I understand there is no change contemplated there. Our ambassador is housed in a very fine residence and there is a very fine and well located building for the chancery.

In Rome there are two buildings but I understand the department has under contemplation the purchase of a new property and the erection—

Mr. HARRIS: Is this a travelogue or a series of questions? I would suggest that Mr. Fleming ask questions on the item, asking what the expenditures are?

Mr. FLEMING: I thought it might be simpler for Mr. Heeney and those with him to comment on my remarks. There is a pattern to this, but I can take individual locations if it is easier.

Mr. HARRIS: Ask what expenditure is going to be made. The expenditures are in the estimates. You are saying that he is not going to do something here and not going to do something there. You should ask him why?

Mr. FLEMING: I thought that was what I was doing. I am quite prepared to meet the convenience of the committee and the witnesses, but I thought it would be simpler if the witness could deal with my various points together.

Mr. McCUSKER: May I ask if Mr. Fleming's data has been assembled in an official or an unofficial way, and whether the department has had the benefit of the information before now?

Mr. FLEMING: There have been some exchanges on the matters.

The CHAIRMAN: I believe an individual member has the right to give his personal impressions.

Mr. McCUSKER: I just wanted to get clear whether this was an official visit that Mr. Fleming made?

Mr. FLEMING: No, I was entirely on my own.

Mr. MACINNIS: The point that strikes me here is that Mr. Fleming, in dealing with these embassies and legations, says that he found satisfactory situations as well as certain unsatisfactory situations. Could we not save time if we dealt only with those situations where Mr. Fleming discovered unsatisfactory conditions? For instance, Mr. Fleming mentioned Athens, and he said that we have very fine buildings, and seemingly there was no complaint. I think such locations could be skipped and that he might mention only those which were not satisfactory.

The CHAIRMAN: As a good attorney he is being very concise and complete. I would also say that personal reaction is very important to the committee and here we have a person who has travelled to the actual locations.

Mr. MACNAUGHTON: I too, made a trip and visited some of the embassies mentioned. I think it might be wise if we were to embody the impressions received in a detailed report because the detail concerning London, Paris, Geneva, while very interesting to us and to the department, does take a lot of time. It seems to me the department should have the advantage of a compiled record, if I may put it that way.

The CHAIRMAN: Your point is well taken. I realize members always consider that time is an important factor. At the same time, I do not see how I can stop a member of the committee from giving his impressions of things which he believes to be interesting to the Department of External Affairs. I know that brevity will be a factor to all members concerned.

Mr. FLEMING: This was not put forward as a review, but it was put forward with a view to asking what the department plans?

Mr. HARRIS: Why not ask the question directly?

Mr. FLEMING: If there is all this impatience on the part of some members I will stop.

Mr. FRASER: I do not think that Mr. Fleming should stop. I think we should have both sides and I understand Mr. Fleming's visit was made as a member of the parliamentary committee?

The CHAIRMAN: I believe that it is time well spent here. Otherwise, the time will be spent in the House of Commons—and that will not be good—and this committee is the safety valve for the department.

Mr. FRASER: Your point there is well taken.

The CHAIRMAN: I think Mr. Fleming should go on. I know that he is in favour of brevity himself.

Mr. FLEMING: Speaking now of Rome, I would ask Mr. Heeney how far plans have gone and what the department has under contemplation there? As to Paris, are there any changes contemplated? There has been a good deal of over-crowding in Paris, particularly when the international conferences have



been held there. At the other places mentioned are any changes contemplated, and if so, what changes? I note, as I mentioned about The Hague earlier, that the return given to Mr. Fraser shows an expenditure of \$194,128 on the acquisition of properties. I wonder if we could have the particulars of that acquisition because it presumably has taken place fairly recently?

At Copenhagen what plans are under contemplation? I am thinking at the moment of the office accommodation. I am not thinking so much of the residence but the office accommodation was not very impressive. It had been necessary to reconstruct a building and to make an outside entrance off the driveway to the office quarters which were down in the basement of the house. It was not a very satisfactory situation. I understand there might be some changes contemplated there and perhaps Mr. Heeney can tell us about them.

Is there any purchase under contemplation at Oslo? If so, has a location been considered? I was going to ask for a report about that.

With respect to Stockholm and Oslo I would make this comment if I am permitted. In both places our legations are housed in office buildings. I understand that an office building or an apartment building is not the most suitable kind of location for diplomatic representatives for security reasons. I wonder if that is a factor under consideration by the department and if any steps are being taken in consequence of the situation?

I shall not say anything further on the subject.

The WITNESS: Mr. Chairman, I shall say something and then ask Mr. Moran to supplement or correct me where I am wrong.

If one can speak of the policy of the department with regard to the purchase of real property, I suppose that the policy is to make haste slowly. Apart from this arrangement for the purchase from blocked funds which will be standing to the credit of Canada as a result of military relief expenditures during the war, we are not planning to purchase properties anywhere if we can help it, unless some particularly advantageous opportunity offers. The committee will, I think, recognize that it is not possible with a small staff to maintain the proper kind of examination of proposals for purchases involving large sums of money without taking a good deal of time. For that reason we favour a policy of making haste slowly in these matters.

The purchases that are presently under consideration by the department are in Paris, in Rome, and in Copenhagen. These purchases would not involve expenditure apart from blocked funds available in those countries. We are not asking for funds for this purpose in the departmental estimates.

The situation in Paris is that we have a number of prospects which are, to a varying degree, suitable for the needs of the chancery and the ambassador's residence. None that have turned up so far are altogether satisfactory, but we agree that the present situation is not suitable. The chancery is inadequate; the residence is totally inadequate—as I think members of the committee who have seen it will agree.

The situation in Rome is somewhat similar. There we have prospects which are a little brighter and perhaps more immediate. On the other hand, we cannot make a deal finally in Rome until we have some arrangement with the Italian government concerning the settlement of those claims upon which the extent of our blocked funds will be determined.

In Copenhagen I believe we may be able to move ahead rather more quickly because settlement of the balance due to the Canadian government in blocked currency is rather more advanced. I will ask Mr. Moran to say a word about the situation in The Hague.

There is no change contemplated in Athens.

I have no personal knowledge of the situation in Oslo, although I have some knowledge of the situation in Stockholm. Things are quite unsatisfactory. The

minister there is in an apartment building. Not only is that unsatisfactory from the point of view of security, which is a consideration and must be a consideration in leasing and purchasing of any premises, but also it is unsatisfactory from the point of view of the housing situation in Sweden which, as Mr. Fleming will know, is difficult. Mr. Stone has been looking over various possibilities and has reported upon them to the department, but at the moment we have no funds and we are not asking for any funds until we know precisely where we are going.

Mr. MORAN: The only place upon which I would like to comment is Athens. Actually there are some negotiations under way in connection with the purchase of an embassy in Athens, again to be paid for out of the settlement of the military relief account. A purchase has been prompted because the rent is already high and, as the lease expires next year, the landlord has indicated that he wishes to double the rent.

Mr. FRASER: Is there no rent control?

Mr. FLEMING: Is it the residence or the chancery you are speaking of?

Mr. MORAN: The residence. The Greek government has undertaken on our behalf to locate a suitable building in Athens. They feel there is some obligation on their part to assist us because of the delay in settling our Military Relief Account the funds of which will be used for any possible purchase.

In the case of The Hague, I would like to check the reports which we have in the department before I try to give the details which lead to the purchase. But perhaps I should say that this residence will not be paid for by Canadian dollars. I hasten to add that because we are paying for it in Dutch guilders is not a reason for spending more for a building than would normally be spent if it were being paid for in Canadian dollars; but there is to the credit of the Canadian government a considerable number of Dutch guilders, arising out of the military relief account. And it is with this money that the building will be paid for. The item appears in here, in our estimates, in dollars because of a technicality in the entry of the one dollar item last year. This is the same residence that you refer to, which Mr. Dupuy was living in when you were there; and it, again, is a case of the owner wanting to sell the premises. After a survey of a number of locations in The Hague, this location was selected as being the most suitable for all purposes, but as I said, before I make any comment on the purchase price, I would like to view the reports on it.

Mr. FLEMING: This is in respect to the residence that has been purchased at The Hague?

Mr. MORAN: Yes.

*By Mr. Fleming:*

Q. \$194,128. Am I to take it that it is the policy or intention of the Under-Secretary that before any more purchases are made he expects to see the local situation himself?—A. I hope that will be possible. I expect to do so.

Mr. LEGER: Mr. Heeney said a little while ago that he intended to visit as many of the different embassies as he could. Perhaps he could prepare a report for next year so that when he comes before us again he could give us a complete account. Perhaps we might carry on now with the items.

The CHAIRMAN: Shall item 53 carry?

Carried.

Shall item 54 carry?

Carried.

Mr. FLEMING: I have one other question with respect to Dublin. When was this property purchased for \$32,292.39 together with the amount of \$10,576.20 for improvements and alterations? Is that the property in which the High Commissioner was living a year ago last spring?

Mr. HEMSLEY: Yes.

*By Mr. Fraser:*

Q. I take it there are no other large expenditures contemplated within the next six months?—A. It will depend on whether we get ahead with this Paris and Rome project. At both places present prospects might require very substantial alterations and additions.

Q. There is nothing in your estimates for those two purchases?—A. No. They would be paid for under the Military Relief account.

*By Mr. Fraser:*

Q. Is it shown?—A. That is item 54.

*By Mr. Fleming:*

Q. I believe the minister indicated there was some change in contemplation with regard to the mission to Berlin, that some of the staff would be moved to Bonn. Will that affect the property set up at Berlin?—A. That is an exceedingly difficult situation. We really do not know what we are going to do. In fact the last telegram from Mr. Pope said that he was reporting from under a sheet of corrugated iron and that he had no real prospects there at all. I trust something will be found, however, whether it be rented premises or whether we have to purchase premises. But it remains to be seen. The consular work will continue to be carried on from Frankfurt. Mr. Pope will be located at Bonn, but he will have a junior officer at Berlin.

Q. What about the property at Berlin now? Will you continue to use all of it?—A. Probably not but it is not costing us anything at present. It is a charge on the German economy.

Q. There is no decision on that as yet?—A. We would keep it as long as we required to have an office there, and that will be as far as we can see ahead.

The CHAIRMAN: Does item 54 carry?

Carried.

Does item 55 carry?

Carried.

Does item 56 carry?

*By Mr. Graydon:*

Q. I wonder if the Under-Secretary has any information as to the number of Canadian citizens there are in China? I am asking the question, not in a general way but in order to know whether or not the new communist successes which have brought under the control of the communists great portions of China, will have any effect of a prejudicial character on the missionaries of the Christian churches who are in there in rather substantial numbers? Have you any report as to that?—A. We cannot guarantee the exactness of the present figures which we have. But after the warnings which had been given by our mission in Nanking, as the communist armies approached different areas, there was left a hard core of about 500, as far as we could judge, and they are still in China. Only recently I was talking to the head of the far eastern division.

Q. Are you speaking of citizens or of missionaries?—A. I speak of Canadian citizens generally, including missionaries, which make up a very large percentage of the total. Last week I spoke to Mr. Menzies about this matter and he made a report to me and said that of approximately 500, a number which can only be taken as a very round figure, 250, or thereabout, were in the area still occupied at that stage by the nationalist armies, and about the same number were in areas of China which were under the occupation of the communists. Now, whether or not the communists are likely to interfere with the ordinary operations



of Canadian missionaries in the areas which they occupy remains. I think, largely to be seen. We have had no indication yet of which I am aware that they have been interfered with. In fact the earlier stages of communist occupation have indicated that they are not desirous now of interfering; but whether that situation will obtain six months or a year from now, I would not like to guess.

*By Mr. Green:*

Q. Have you any method of communicating with the missionaries?—A. I cannot answer for all. But we have got messages through to Nanking. However, what the situation is for communication to Peiping and the rest of communist China, I do not know.

The Canadian ambassador before leaving China satisfied himself that all Canadians in the areas recently overtaken by fighting were safe and well. That was the last report we had from our ambassador before he actually left Nanking.

Q. Are there any in the vicinity of Peiping?—A. My impression is that there are Canadian missionaries still in the areas occupied by the communists, but I shall try to get you a specific answer on the point.

*By Mr. Graydon:*

Q. I think that the West China Mission and hospital which is operated by the United Church is situated in the western part of China which has not yet been over-run by the communists.—A. That is quite true. There is quite a little community from the United Church, and Mr. Menzies did mention it as being among the 250 Canadians in the nationalist areas.

Mr. HANSELL: Is it expected that we shall hear from Mr. Davis?

The CHAIRMAN: I shall leave the answer to that question to the parliamentary assistant, Mr. Harris.

Mr. HARRIS: Mr. Graydon brought this question up the other day, Mr. Chairman, and at that time the minister said that it would remain with the committee to decide. But he spoke immediately after that on second thought and he pointed out the possibility that Mr. Davis as an ambassador might lose his usefulness if he were sent back to China as ambassador, should he appear before this committee, and that it was a thought which might require some consideration by this committee.

Now, further consideration of the matter brings up not only that point but also the purpose of this committee. I understand the purpose of this committee is to examine into the accounts of the external affairs branch; and I understand it is also the custom, one which has grown up, to debate extension of foreign policy. But it has been considered that it would be undesirable from every reason to have an ambassador from China come before this committee. The minister is responsible to this committee and he is responsible as well to parliament. I do not think it would be proper to have an ambassador called before this committee as it is presently constituted.

Mr. GRAYDON: I am afraid that there must be some limitation or shading-off from that rather drastic rule because it seems to me that this committee ought to be able to hear some of our representatives abroad in the same way as we receive evidence from some of our representatives at home. Even though there may be some considerations which necessarily will enter into the picture, so far as the evidence given by an ambassador is concerned, this committee can be depended upon to use common sense and good judgment with respect to any discussion that might take place.

All our ambassadors are men of considerable experience and I fancy they would know pretty well what should be told and what should not be told, having in mind their positions. I think it would be of great advantage to the members of this committee if we could hear something of what is going on in other parts of the world. And it seems to me that these people who have a special means

of gathering information might tap their experience and might talk from their experience in order to give us a picture of world affairs as they see them in the particular localities where they operate.

I would like to see Mr. Harris recede a little from the position he has taken. I think that rule should not be made too hard and fast. It should be remembered that we have had in the past some very interesting discussions here which, from both a parliamentary and a public point of view, have been very useful in our general external affairs work. I should like to see the government take a little more lenient attitude if they could see their way clear to do so, and allow Ambassador Davis to come before this committee.

In addition to that, I think we should have as many representatives from abroad come before us as possible, if that can be done. I would not like to see the work of this committee limited too greatly because, after all, the public have a tremendous interest in what is going on in certain sections of the world, and I think the public ought to be told as much as possible from the standpoint of security and general diplomacy. I only make the suggestion because I think it would be most acceptable to the public generally and to parliament. I do not think that in the end any serious difficulty would arise with a committee which is seized of its responsibility as I think this committee is.

Mr. HARRIS: There is no desire whatever, Mr. Chairman, not to supply this committee with all the information that would be necessary for it to discharge its duties. That information might even include a travelogue picture of any foreign country presented by someone best equipped to do so. The minister might do it, or in his absence, the deputy minister, if we so requested. Or, if it should be the desire of the committee, we could have the head of the far eastern division of the External Affairs branch tell us what he had in mind about the east and give us whatever we wanted to know. That is the kind of expert information which I think the committee would like to have and perhaps should have. But I think ambassadors are in a somewhat different class from that and while, as I say, it would be interesting no doubt to hear what the ambassador has to say on conditions in China, I think that information if released for this committee could best be given by the Under-Secretary or by the minister or by the responsible head of the division.

The CHAIRMAN: Is there any further comment?

Mr. HANSELL: Mr. Chairman, I think that, perhaps, we understand Mr. Harris' position and explanation. But I am under the impression that the reason External Affairs estimates are referred to this committee, while no estimates of other departments are referred to other committees, is that there are in the world today peculiar situations arising which are perhaps unique to this department and which are not unique to any other department. I believe therefore the discussion of certain matters which might even be required should be held in camera and should be referred to this committee on the estimates, thus obviating the necessity of an open discussion in the House.

I am particularly interested in the situation in China, and since missionaries have been mentioned, missionaries who are Canadian citizens, it seems to me that we should have an opportunity to learn something more than the minister indicated in his speech in the House. I am not concerned particularly whether it should be Ambassador Davis or some other appropriate person, but I would like to have an elaboration of the reference to China which the minister made.

Mr. HARRIS: I will draw the attention of the head of the department to the discussion as to ambassadors generally and to Mr. Hansell's request. I am quite sure that all the information and discussion which he would like to have would follow upon the statement by the head of the far eastern division. It could be given before this committee either today or tomorrow.

Mr. GREEN: I suggest a little further consideration should be given to this question before a definite decision is made. If I understand Mr. Harris' statement today, it is that we could not hear men from the United Nations, such as General McNaughton, who has appeared before this committee, and whose evidence has been very helpful. Another example might be that of Canada's representative on the far eastern commission. The minister took no exception to his appearing before us. In fact, the minister suggested that Mr. Collins come. I believe there is no doubt we could get useful information from the men stationed in Ottawa, but I do not believe that they would have the knowledge of what is going on which is possessed by those who represent Canada abroad. If we should hear merely the local men I believe it would stultify the work of our committee very much and I do not think it is very reasonable. So I would ask that before a definite decision is made—I know the minister is away now, but I would be interested in hearing his opinion as to how far this iron curtain is to be drawn.

The CHAIRMAN: Is there any further discussion?

Mr. GRAYDON: I would be very much surprised if the Hon. T. C. Davis himself would not welcome the opportunity of coming before this committee, because he must have a very important message to deliver to us. I think it would be quite within the realm of propriety, because I think I know him well enough to make that statement.

Mr. WINKLER: While we would all be very interested in hearing a report from Mr. Davis which, no doubt, would be just as interesting as the account of General Bedell Smith in the *Saturday Evening Post*, yet I cannot help but feel that in the case of Mr. Smith he would find it very difficult should he return to Russia after having made his statement. So, if such a report as Mr. Davis might make here would prejudice his position, having regard to his return to China, I think we should give consideration to our hearing him now.

Mr. GRAYDON: Perhaps he is not going to return to China.

Mr. McCUSKER: It might affect whoever succeeds him there. There are different matters which come up, and if an ambassador were free to come here and give an informal talk, give his impressions on the stated policies of the government, and be subject to cross questioning and all that sort of thing—things relating to past actions, present actions and future actions—it might prove difficult. I think it might be all right for him to come here and make a statement; but if he were subjected to cross-examination, and questioning before this committee, I think he would have to be a very careful man if he did not get himself into difficulty.

Mr. GRAYDON: I would be one of the first to agree with you on that, Mr. McCusker. I agree that an ambassador should not be subject to cross-examination. What I had in mind was just an ordinary talk, and I thought that we could gain a very great deal if we could have an ambassador like Mr. Davis come and give us a factual account of conditions as he saw them in China. It is not a question of policy, it is a question of getting a realistic picture of conditions out there, and things of that kind. In my opinion, we know far too little about conditions in other parts of the world, and we have men travelling there; and I think they could review, let us say, the situation in China, and such a review would be of very great help to us. I would be the first one to object to allowing an ambassador to be cross-examined or questioned on matters of policy, because that is not his job in any event. My point is that there is a reasonable purpose in asking him to come here and give us a report. As I said before, that is what I had in mind.

Mr. LEGER: May I ask you, Mr. Chairman, how many of our ambassadors are available to appear before this committee at the moment? I think the Honourable Mr. Davis is the only one at home now. Suppose we were to ask him to come here and give us a factual statement; or, suppose we were to



ask Mr. Hume Wrong, our ambassador to Washington, to come here and give us a factual statement about things in the United States; if he says something in that talk to us which goes out through the press and is not approved by Washington, if his ideas are not acceptable to the country to which he is accredited, how could we expect him to go back there and continue his duties. And I think the same thing would apply to any one of our ambassadors. Even if one were to come here he would only be able to give his own ideas, his own opinions, his own viewpoint; and that might not be a viewpoint which was acceptable in the United States, let us say, or to the country which he may at the time be accredited; it might even go so far as to operate as a reflection on Canada.

Mr. COTE: As I see it, Mr. Chairman, I do not think an ambassador has the right to give his personal opinion, when he is speaking in an official capacity, in a committee such as this one.

Mr. MACINNIS: I doubt very much, Mr. Chairman, if it would be useful to bring an ambassador here for the simple reason that you would be asking him about established conditions in China today, and conditions in China today cannot be separated from the revolutionary forces in China. He would have to refer to those conditions, and after having done that it would be a question of whether it would be desirable to permit him to get back or whether he should be kept here. If there is anything to be said in that regard we must get it from the minister, and no one else can give it.

Mr. FRASER: May I ask you a question, Mr. Chairman? When General McNaughton was here were not the proceedings in camera?

The CHAIRMAN: It was an open meeting.

Mr. FRASER: Both meetings were open?

The CHAIRMAN: They were both open meetings.

Mr. FRASER: Two open meetings?

The CHAIRMAN: Yes. He made only a short statement off the record. All the rest of it was recorded.

Mr. MACINNIS: But Mr. McNaughton is on a different basis, Mr. Chairman.

The CHAIRMAN: I listened very attentively to the statement made by Mr. Graydon when he spoke on external affairs in the House the other day and I was particularly impressed with the answer which was made by the minister, the Honourable Mr. Pearson; and I think most of the members here will recall that when speaking with regard to China he called attention to the fact that the situation in China is not stabilized, they have a revolution there, and one cannot talk about conditions in China without making reference to the internal situation in that country. So you can easily understand how difficult it is for an ambassador to come here and give us his impression of the position he occupies, let us say in the United States, and his personal reaction on some of the activities there. That might not be so difficult, but it would be very difficult for Mr. Davis to give his reactions, because he would be immediately open to criticism on account of reports of what he might say here appearing in the newspapers. I agree with what Mr. Hansell said, that he was not in favour of that sort of thing. As some of you will recall, we had a very interesting meeting, I think it was two years ago, a joint session of the Committee on External Affairs of both the Senate and the House of Commons, when Mr. Pearson gave us an excellent address on international problems; but we were criticized, and I believe rightly so, because we had not invited the public and because we had not invited the press; and the same sort of criticism would be levelled against Mr. Davis or anybody whom we might invite here and who would address us in a closed session. We have to be very careful of the situation at the present time in so far as blazing new trails goes. I may say that

I am in favour of this suggestion so far as the committee is concerned. We started from scratch in 1947, and we have come quite a ways. At the same time we must be very careful of the ground we tread upon now. I believe the minister himself has expressed his views on the situation in so far as Mr. Davis is concerned. As you know, his position is a peculiar one; he has not left his position, he is here in Canada. However, we all know that the situation in China is not a happy one, neither for the Chinese people themselves nor for the whole of the civilized world. So, will you leave the matter with the chair and with the steering committee? I don't suppose you want a vote to be taken on it now. I may say that, personally, I would not be in favour of taking a vote at the present time, because if my information is correct we are at a stage in the session now where time is an important factor, particularly as we all hope and expect the session will close by the 3rd of December; so I do not think we would have very much time to receive visitors in the interval.

Mr. HARRIS: Well Mr. Chairman, I just wanted to make the point clear to the committee; I do not think that the proposal would be approved of.

Mr. DICKEY: Mr. Chairman, I will move that the question be referred to the steering committee.

Mr. GREEN: Will the minister make a further statement on this question?

Mr. HARRIS: I do not think that this is even a matter for debate in this committee. I do not think there has even been an expression of opinion in the House with regard to it. My own personal impression is that in even considering this matter we are going far beyond the range of the authority contained in the reference by the House to this committee. As you know, the reference to this committee is to consider the voting of certain sums of money for the use of this department. I think when we have dealt with that we have gone far enough. This business of compelling people to come before this committee is, I think, carrying the matter too far. I do not think there is any reason in the world why it should be done. The minister takes the responsibility in this committee as in the House. For that reason I will say that if the steering committee decides to call Mr. Davis I shall ask this committee to reserve the decision.

Mr. LEGER: I don't believe—

Mr. HARRIS: Excuse me for one moment. I will repeat what I said before; I shall be glad to direct the attention of the minister to this question and I will find out from him what can be done.

Mr. LEGER: I was going to say, Mr. Chairman, that I believe this should all be off the record of the committee. It should be left to the department, or to the government to decide whether or not Mr. Davis comes here.

Mr. PICARD: The government has no right to direct this committee, Mr. Chairman; only the House has the right to do that. Neither the government nor the minister has a right to give directions to a committee.

The CHAIRMAN: We are all familiar with parliamentary procedure. One of the reasons for having this committee set up was that we were limited as to getting information with respect to the work of the department. Officials of the department can sit in the House with the minister and provide him with information, but one of the reasons for setting up this committee was so that officials of the department could come before us and answer questions, so we could meet them. We are here to work on those estimates but our procedure is not to be too rigid. Take, for instance, the case of Mr. Hume Wrong our Ambassador in Washington. We cannot compel him to come here, but possibly we could arrange for his attendance through the minister. After all, he is the person who knows the situation as it stands at the present time in the United

States. But, speaking personally, if I were in such a position I would be a little reluctant to come before a committee such as this one to discuss, let us say, present-day conditions in China.

Mr. HANSELL: It might very well be left with the steering committee. And on that point of Mr. Davis coming here, I am not a bit fussy about meeting in camera. What I am concerned about is that the committee should be well informed by the proper officials who can give us the information.

The CHAIRMAN: Hear, hear.

Mr. HANSELL: Mr. Pearson, the minister, is not able to be here; therefore, we should have someone as close to the scene as possible to give us the picture.

The CHAIRMAN: I believe that is the proper way to meet it.

Mr. GRAYDON: May I make a suggestion, Mr. Chairman. I am on the steering committee. I do not think there is any great advantage having a meeting of the steering committee because I fancy that what we had better do is think this matter over, and then at our next meeting, or at some convenient time, we can take a vote on it and decide the issue right here. After all, if the government has made up its mind and if there are compelling reasons why an ambassador should not come; well, it can be depended upon that there will be enough people from the government side here that the vote will go that way. But I do not think there is much point in having the steering committee meet in connection with it; we had better decide it in open committee I think. That would satisfy me anyway.

Mr. McCUSKER: Mr. Chairman may I move that we adjourn, it is quarter to six?

The CHAIRMAN: I suppose we could, but I would like to pass this item 56.

Shall the item carry?

Carried.

—The committee adjourned.















1949

SECOND SESSION  
HOUSE OF COMMONS

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Including Second Report.

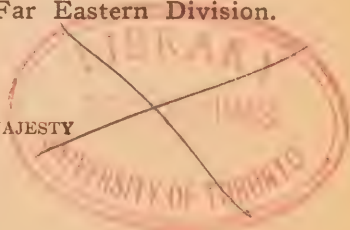
THURSDAY  
WEDNESDAY, NOVEMBER 24, 1949

Estimates of the Department of External Affairs

## WITNESSES:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs  
Mr. Arthur Menzies, Head of the American and Far Eastern Division.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1949







## ERRATA

(See minutes of proceedings and evidence of Friday, November 18—No. 1)

Order of Reference of November 17, 1949—2nd line thereof  
and Nos. 766 to 799 inclusive of the Further Supplementary Estimates  
1949-50 should read "and Nos. 766 to 779, etc.

## CORRECTIONS

By Mr. Fleming relating to No. 2 of the printed evidence.

*(for details see evidence of Thursday, November 24—evening session)*

By Mr. Heeney relating to No. 1 of the printed evidence.

*(for details see evidence of Thursday, November 24—evening session)*

## REPORT TO HOUSE

SATURDAY, November 26, 1949.

The Standing Committee on External Affairs begs leave to present the following as its

### SECOND REPORT

On Thursday, November 17, 1949, the House passed the following Order of Reference, viz:

That Votes Nos. 51 to 70 inclusive of the Main Estimates 1949-50, and Nos. 766 to 779 inclusive of the Further Supplementary Estimates 1949-50, be withdrawn from the Committee of Supply and referred to the Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Your Committee has devoted six meeting to the consideration of the said Estimates in the course of which it heard the Secretary of State for External Affairs. Evidence was given by the Under Secretary of State for External Affairs and the Head of the American and Far Eastern Division of the Department.

Your Committee approves of the above Estimates.

The printed evidence taken before the Committee will be tabled at an early date.

All of which is respectfully submitted.

(J. A. BRADETTE),  
Chairman.





## MINUTES OF PROCEEDINGS

THURSDAY, November 24, 1949.

The Standing Committee on External Affairs met at 3.30 o'clock.

Mr. Joseph A. Bradette, the Chairman, presided.

*Members present:* Messrs. Bator, Benidickson, Bradette, Campney, Coldwell, Côté (*Matapédia-Matane*), Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Graydon, Green, Hansell, Harris (*Grey-Bruce*), Leger, MacInnis, Macnaughton, McCusker, Picard, Pinard, Richard (*Ottawa East*), Robinson, Stick, Winkler.—26.

*In attendance:* Messrs. A. D. P. Heeney, H. O. Moran and S. D. Hemsley.

Mr. Heeney was recalled and supplemented answers given at the previous meeting relating to:

1. Canadians in China
2. International agreements concerning pipelines
3. So-called Cascades-Patterson road
4. Change of the boundary between Canada and the United States near Prince Rupert, B.C.
5. Diplomatic immunity of foreign newspaper correspondents.

The Committee resumed its consideration of the Estimates.

Vote 56—Relief of distressed Canadian citizens abroad.

Vote 57—Canadian Representation at International Conferences.

Vote 58—Expenses of Canadian delegation to ICAO.

The above votes were carried.

A suggestion to report the Committee's appreciation of the activities of the United Nations Association in Canada was made.

After a further discussion on China, Mr. Graydon moved that the Committee call Mr. T. C. Davis, Canadian Ambassador to China, for the purpose of hearing factual information on the present conditions in China.

After discussion, the question being put on the said motion, it was negatived.

The following were also approved, viz:

Vote 59—Canadian section of Canada-U.S. Permanent Joint Board of Defence.

Vote 60—Grant to United Nations Association in Canada.

Vote 61—United Nations Specialized Agencies.

Vote 62—Food and Agricultural Organization of the United Nations.

Vote 63—International Labour Organization.

Vote 66—Commonwealth Communications Council.

Vote 68—Commonwealth Shipping Committee.

Vote 69—To provide for preliminary studies and surveys of the Midwestern Watershed (Revote).

Votes 64, 65, 67 and 70 were allowed to stand.

Particular references were made to the work of UNESCO.

At 5.45 o'clock the Committee adjourned until 8.15 this day.

## EVENING SESSION

The Committee resumed at 8.20 o'clock.

Mr. Joseph A. Bradette presided.

*Members present:* Messrs. Bater, Benidickson, Bradette, Campney, Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Harris (*Grey-Bruce*), Leger, MacInnis, Macnaughton, McCusker, Mutch, Picard, Richard (*Ottawa East*), Winkler.—22.

*In attendance:* Same as at the afternoon meeting, and Mr. Arthur Menzies, Head of the American and Far Eastern Division.

Mr. Heeney was recalled.

The witness was allowed to make corrections in the printed evidence of November 18 and 22 (Nos. 1 and 2).

Mr. Fleming was also allowed to make corrections in the evidence of Tuesday, November 22—No. 2. (*For both see minutes of proceedings and evidence, No. 4—evening session*).

The Committee reverted to Votes 59, 60, 61, 62, 63, 64, 65, 67 and 70. It concluded its study of the Estimates.

The witness, assisted by Messrs. Moran and Hemsley, read statements on the above items, some of which were allowed to be incorporated in the record.

Votes 51 to 70 of the Estimates and Votes 766 to 779 of the Further Supplementary Estimates (1), both referred, were formally approved on motion of Mr. Harris.

Pursuant to an undertaking given at the afternoon session, Mr. Arthur Menzies was called. He made a statement on existing conditions in China and was examined thereon.

The witnesses were retired.

It was suggested that the Department supply Members of the Committee and Members of Parliament with annual reports of the various United Nations specialized agencies.

The Committee's appreciation was expressed to Messrs. Heeney, Moran and Menzies and to the staff of External Affairs.

At 10.45 o'clock, the Committee adjourned to the call of the chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## EVIDENCE

November 24, 1949.

The CHAIRMAN: I will now call the meeting to order.

**A. D. P. Heeney, Under Secretary of State for External Affairs,  
recalled:**

The CHAIRMAN: I believe Mr. Heeney has additional information to give on some of the questions put to him by members at the last meeting. We are now dealing with item 56. I will ask Mr. Heeney to proceed.

The WITNESS: Mr. Chairman, I might supplement, in two or three particulars, the answers I attempted to give yesterday to various questions put by members of the committee. Two or three members asked about Canadians in the Peiping area, and also Canadians in the southwest area of China. Mr. Graydon made reference to west China, an area in which the United Church is involved. I am informed that there are about eighty Canadians in the community there and, to the best of the information we have, there are about two hundred and fifty Canadians in the area now occupied, as far as we know, by the Nationalist troops.

*By Mr. Graydon:*

Q. Is Chang Tu under Communist domination?—A. As far as we know that area is still under Nationalist control.

The latest information we have indicates that there are approximately 30 Canadians in the Peiping-Tientsin area in North China. These are mostly missionaries, both Protestant and Roman Catholic. The largest group is connected with the Maison Chabanel, a Jesuit institution outside Peiping, where missionaries are trained in the Chinese language and for their missionary work.

Canadians in this area will be under the immediate care of the British Consul General in Peiping and the British Consul General in Tientsin.

*By Mr. Fournier:*

Q. May we have the names?—A. Of the missionaries?

Q. Yes.—A. I think we could only obtain them from the religious orders, in the case of the R.C. missions and from the churches in the case of the Protestant missionaries.

Q. Did you say Chabanel?—A. Yes, Maison Chabanel.

At the meeting when the Minister was here, Mr. Green asked two or three questions on which we are now able to give additional information. At page 40 of the proceedings of the meeting on Friday the 18th of November, Mr. Green inquired about international agreements concerning pipelines. We have had a further search made and there are no international agreements of which we are aware, and I take it that we would be aware of any if they existed. I am speaking of agreements in effect concerning pipelines. The minister did say consideration would be given to the desirability of having agreements and that is being done.

The second question which remained unanswered in whole at any rate, was the question asked by Mr. Green on page 41 of the same volume of proceedings having to do with the so-called Cascades-Patterson road. I think that is the correct name. We have no record of this matter at all; no record of any proposals or negotiations suggested by the United States government.



*By Mr. Green:*

Q. The suggestions would be from the British Columbia government?—  
A. We have no record of that either, Mr. Green. Any discussions held must have been unofficial or in any event outside of the department.

A third question which remains unanswered, categorically at any rate, was Mr. Green's question at page 41 where he asked: "Are there any negotiations under way whatever to change the boundary between Canada and the United States?"

The simple answer to that question is no; there are none. It might be of interest to the committee to know, however, that in 1940 an approach was made informally to see whether the boundary waters of the Dixon entrance, which are off the boundary line between Alaska and British Columbia, could be delimited.

Q. They are quite near Prince Rupert?—A. Yes. Inquiry was made to see whether they could be delimited to the satisfaction of both countries. At that time, and on one of two occasions when the matter was raised again no jointly satisfactory solution was reached and we have not heard anything further for some time.

Q. Were those approaches made by the Canadian government or the United States government?—A. The United States government.

Q. In a case of that kind would the provincial government be consulted?—  
A. Oh, yes. I think, indeed, that one of the reasons why no solution was reached was that the federal government was unwilling to accept the tentative proposals put forward by the United States government because those proposals were not satisfactory to the government of British Columbia.

Also, Mr. Chairman, if it meets the wishes of the committee I would like to supplement what I said yesterday in an answer to Mr. Graydon concerning the situation of the Tass Agency and the representative of the Tass Agency in Canada.

I have had an opportunity of having inquiry made about the case in the United Kingdom to which reference was made. I found, from the information that I have, that this was an action in libel against Tass and an individual, Frederick Taylor, which went from the trial court to appeal. The plea by defendants, which was upheld by the Court of Appeal, was that the Tass Agency, one of the defendants—the principle defendant—was an arm or organ of the Soviet government and, as such, entitled to sovereign immunity. That is a different matter from that which we were discussing yesterday. Although the two have some characteristics in common. The defence was that Tass was an organ of a sovereign government and it was that plea which was upheld on appeal. The question of the diplomatic immunity of the individual was not, as I understand it, one of the deciding factors in the judgment, although I have not the full report of the court of appeal and I cannot be completely precise upon that point. It would appear that the essence of the judgment was that the Tass agency was an organ of the Soviet government and as such entitled to the immunity which a sovereign government enjoys in another sovereign state.

*By Mr. Graydon:*

Q. That would include the diplomatic immunity which we were discussing?—  
A. I do not think that is necessarily so. I was going on to say a word also about the diplomatic immunity. As we see it in the department, a correspondent of the Tass Agency in Ottawa would not succeed in attempting to establish diplomatic immunity, although that would be a question, in the final result, for the court to find on the evidence presented. The Tass correspondent here is not on the diplomatic list and I might say that being included on the list is a *prima facie* way of establishing diplomatic status. The information that I have is that

he is a non-diplomatic member of the staff of the Soviet embassy. I suppose it would be open to the ambassador to allege that the situation had changed, but I do not know that there is any use of me trying to look forward to what would happen in the event of hypothetical proceedings. As the situation appears to me now the gentlemen in question would not likely succeed in a plea of diplomatic immunity.

Q. May I ask the Under Secretary one question on that? Is Tass here in any different legal position from Tass in the United Kingdom?—A. Not to my knowledge.

Q. Then, if that is the case, if the courts in the United Kingdom have held that Tass was beyond the law in England because it was part of or an organ of another sovereign state, then what would there be to hinder the same Tass Agency under the same circumstances raising that defence here?—A. That again is perhaps hypothetical. In the event of an action against the Agency itself the Agency might raise the same plea, and I suppose, although the Court of Appeal judgment in the United Kingdom would not be binding in any way, it would be of some exemplary importance. That is a rather different question to that of diplomatic immunity of the individual.

Q. Well the individual would be the servant or the agent of an organ of another sovereign state?—A. I do not know whether the case in Great Britain dealt with the question of the agent acting in the performance of his duties; I have not got the full report. Whether the individual enjoys any privileges in view of his employment by a foreign government—and there are some privileges he enjoys as part of the staff of the embassy although non-diplomatic—I would not know. Among the privileges enjoyed by the Tass representative would be customs exemption on first arrival, exemption from Canadian income tax, and certain foreign exchange privileges.

Q. May I ask the Under Secretary whether correspondents coming from other countries to this country enjoy the same privileges as that man?—A. Any one who is a press attaché, and as such an employee of the government of another country, would I presume, be in much the same position or possibly a better position. It is really a matter for the government in question to determine—whether an individual will or will not be included among the members of the diplomatic staff. The old expression is “the ambassador’s retinue”. That was the expression used by early authors to indicate whether any individual was entitled to immunity. Again, as I say, that is a matter for the government concerned to determine. Any correspondent who came here as an employee of a private concern would not enjoy those privileges.

Mr. MACINNIS: Would there be any disadvantages to being on the diplomatic staff?

Mr. COLDWELL: The man would not be entitled to Press Gallery privileges if he were on the diplomatic staff.

The WITNESS: That would be a matter for the Press Gallery to decide.

*By Mr. Graydon:*

Q. Then, as I understand it, Sandy Inglis of the London *Times* would not have the same privileges as the Moscow agency?—A. The *Times* is not a government agency—that is the legal answer.

Q. Why should something in the nature of a characteristic of one country militate against representatives of another and put them in a preferred position as compared to a correspondent from the United Kingdom?—A. As far as the Department is concerned, of course, we do not look into those considerations. I suppose all that is proper for us to examine is whether an individual is or is

not a member of the staff of the embassy in question. In that we rely on the ambassador or the head of the mission.

The CHAIRMAN: Shall item 56 carry?

Carried.

Item 57?

Mr. STICK: I have a question here although I do not know whether it comes under this heading. I understand there are negotiations going on between the American authorities and this department regarding the bases in Newfoundland. Can you give us any information on that, Mr. Heeney? As I say I do not know whether it comes under this heading?

The CHAIRMAN: It is all right to put the question as long as we avoid repetition.

The WITNESS: My hesitation is not, in this particular instance, due to my ignorance, as it usually is, but rather as to what can be said at this stage. I am afraid I must confine myself to saying this matter is the subject of current discussion between the two governments.

Mr. STICK: I think there have been various articles written on the matter, and I think of one by Mr. Blair Fraser. I do not know him but, in substance, what he said was correct. We do not want any strained relations in Newfoundland between the American authorities and ourselves there. The article in question was correct in saying that the matter had been dealt with by our courts satisfactorily to us. The American authorities employ between two and three thousand Newfoundlanders and we do not want any strained relations to upset the arrangement. I am very interested and very much concerned over the problem. I do hope that when the situation is dealt with that consideration will be given to the fact that you are not negotiating from the Ottawa standpoint only, and that you will not leave out the local situation.

Mr. COLDWELL: You are speaking of the extra-territorial obligations?

Mr. STICK: I am speaking of certain things regarding customs, the jurisdiction of the courts, and so on. The Americans are rather touchy people but we get along with them very well. Once in a while incidents have occurred that were magnified out of all proportion by the press.

Mr. MACINNIS: Mr. Pearson mentioned the point when he was before us and there is a paragraph on page 18 of the printed evidence where he gave a reply to a question put by Mr. Fraser.

Mr. STICK: The Americans leave millions of dollars in Newfoundland and we do not want them to get huffy and discharge the Newfoundland employees and bring in their own. We had an American gentleman down there a few years ago who took an antagonistic outlook towards Newfoundlanders, but he did not stay very long, and we do not want anything like that to happen again.

Mr. FRASER: When I asked the question I did not do so to create any discord. I do not think that there should be nor that there will be any discord, but they have the same situation there that has existed right here in Ottawa. If one of the vehicles belonging to the defence forces of the United States bumps into a civilian vehicle there is no redress at all. I brought the point up a number of times when we were discussing defence estimates and I think it is something that should be straightened out. I think, when, the negotiations are proceeding, a proper solution should be found for this situation but I do not think that there will be any discord whatsoever.

The WITNESS: Perhaps I might draw the committee's attention to page 18 of the proceeding to which Mr. MacInnis has made reference. There my Minister has said, in reference to these extraterritorial rights and the other special rights which the United States enjoys under the bases agreement—"at the same



time we hope that by friendly arrangement between these two countries the terms of that particular lease in its application to Newfoundland can be modified somewhat without interfering with the United States strategic plans at all, to bring it more in line with the principle of cooperative action which applies to our other mutual defence arrangements with regard to United States troops on Canadian territory. We have control over such cooperative action."

I think the clear inference of what the Minister said enables me at least to say to the committee that the matter is one which is under discussion now but, I think I am bound not to say, because of that, what stage these discussions have reached.

Mr. STICK: You mention strategical considerations, but I am concerned with local considerations and that is the reason why I mention the matter?

The WITNESS: I am sure that, if Mr. Pearson were here, he would say that we have such considerations very much in mind.

Mr. STICK: I am glad to hear that.

The CHAIRMAN: I think, Mr. Stick, that you probably could play quite an important role in any conferences concerning the local situation.

Mr. STICK: I have looked into the situation and I think that we could add to the discussions.

Mr. FOURNIER: Would I be in order in asking a question of Mr. Heeney concerning diplomatic immunity? I know that we finished discussing that a few minutes ago.

The CHAIRMAN: I do not think that anyone will object.

*By Mr. Fournier:*

Q. I would like to know the exact position, so far as diplomatic immunity is concerned. What is the position with respect to space? The French embassy in Ottawa I understand is considered as French territory. If the French ambassador however, is in Montreal, or in Vancouver, does he enjoy diplomatic immunity still, or is it only in the building here?—A. As I understand the law, the embassy foreign government is extraterritorial, not part of the territory of Canada but the territory of the state which owns the embassy. Privileges and immunities also attach to the person of the ambassador and those who constitute his retinue or diplomatic staff.

Q. Wherever he is?—A. That is right, sir.

Q. What is the position of the Canadian ambassador in the USSR? Is he able to feel at ease in Moscow and does he receive the same treatment?

Mr. COTE: How could he?

The WITNESS: The chargé d'affaires—we have not had an ambassador in recent years in Moscow—and his diplomatic staff enjoy, under our interpretation of international law, the same diplomatic immunities and privileges as the ambassador of that country enjoys in Canada. I have no reason to believe, so far as the question of diplomatic immunity is concerned—that there would be any difference in the treatment accorded the Canadian representative there.

Mr. PINARD: That is speaking of our interpretation.

The WITNESS: I did not mean to imply that. Diplomatic officials of all countries are expected, as a matter of international practice, to abide by the laws of the country in which they are stationed. My understanding is that there are restrictions upon movement within the Soviet Union.

The CHAIRMAN: Restrictions which do not exist here?

The WITNESS: Yes.

Mr. FOURNIER: Are you informed of the limits of those restrictions?

The WITNESS: My understanding is that in order to travel outside of the area of the capital special permission of some kind must be obtained—under a comparatively recent law. I am informed that the area beyond which special permission must be obtained is somewhat larger than the municipal limits of Moscow.

Mr. COLDWELL: Is that permission difficult to obtain?

The WITNESS: I understand that it is.

Mr. FOURNIER: What would happen if our chargé d'affaires went beyond that limit?

The WITNESS: Mr. Chairman, I am afraid the question is one which I would not be able to answer. I do not know what might happen. It is rather difficult to answer a hypothetical question like that.

Mr. MacINNIS: I imagine the difference between the freedom of the Russian representative here and the Canadian representative in Russia would not be dissimilar to the freedom of Canadian citizens here and the freedom of Soviet citizens in the Soviet Union.

The WITNESS: I do not know that I am in a position to answer but I would not be surprised if the situation were similar.

Mr. FLEMING: Mr. Fournier's question may be inspired by the fact that last week the American consul in Mukden was placed under arrest along with several members of his staff and released only yesterday.

Mr. FOURNIER: But the orders of expulsion were given.

The WITNESS: Consular officers normally are not entitled to diplomatic immunity in civil or criminal cases.

The CHAIRMAN: Do you think they allow in their building the picture of the Prime Minister and that of the leader of the opposition the same as they do here in exhibiting the picture of Stalin?

Mr. FLEMING: I do not suppose they have a word in their language to translate leader of the opposition.

The CHAIRMAN: Shall the item No. 57 carry?

Carried.

The CHAIRMAN: Item No. 58.

Mr. GREEN: Has there been any agreement reached yet between Canada and New Zealand concerning air service to the South Pacific? I understand we have an agreement with Australia but the annual report of the department for last year said on Page 47 that negotiations are proceeding towards a similar agreement with New Zealand?

The WITNESS: I will ask Mr. Moran to answer that.

Mr. MORAN: The agreement is, in fact, not concluded although there are no difficulties that would lead one to the conclusion that an agreement will not be negotiated. It has not in fact been signed.

Mr. GREEN: It has been signed?

Mr. MORAN: It has not been signed.

Mr. GREEN: What is the difficulty there?

Mr. MORAN: Well one of the difficulties that has arisen in connection with operations in the South Pacific generally has been the extent of Canadian participation and contribution to the South Pacific Air Transport Council of which we are a member. The Council proposed establishing air navigational facilities in that region. In the view of our representative at the last meeting this might well have been an undertaking of I.C.A.O., the international organization which has been established to govern international aviation generally. We suggested that this was an undertaking for I.C.A.O. rather than for a small group of countries composing a special regional air council.

That incidentally has not led to any difficulties over our own bilateral agreement.

Mr. GREEN: Does I.C.A.O. build those airports in certain cases?

Mr. MORAN: I.C.A.O. does not build airports. I refer to navigational aids. The most recent example is in the North Atlantic where they are taking over the facilities in the Faroe Islands and Greenland.

Mr. GREEN: Well for the time being there is no Canadian service to New Zealand?

Mr. MORAN: No.

Mr. GREEN: When is it expected that that service will start?

Mr. MORAN: I cannot answer that. The Canadian Pacific airlines have the licence from the Canadian government to operate there and it is a matter that will be determined by their own officials when the agreement with New Zealand is concluded. They are now busy carrying out air familiarization flights in the far east and I suppose there is an administrative limit to what can be undertaken at any one time.

Mr. GREEN: They cannot land in New Zealand until that agreement is concluded?

Mr. MORAN: Yes, they could. It is possible to get temporary permits.

Mr. GREEN: What is the position with regard to the North Pacific route, that is around by Alaska and by Japan to China? Have there been any agreements reached in connection with that route?

Mr. MORAN: Yes that route is ready to operate. That is the one that I referred to on which the Canadian Pacific airlines are carrying out their familiarization flights.

Mr. GREEN: What nations have we agreements with in connection with that North Pacific route?

Mr. MORAN: The United States and the United Kingdom.

Mr. GREEN: Would the agreement with the United States cover landing rights in Japan?

Mr. MORAN: Yes.

Mr. GREEN: Has this agreement ever been signed?

Mr. MORAN: No I think perhaps it is loose language referring to them as agreements because what I am discussing is in the case of the United Kingdom for example, landing rights for Canadian Pacific airlines at Hong Kong and similarly with SCAP in Japan, and landing rights from the Chinese Nationalist government in China.

Mr. GREEN: At Shanghai?

Mr. MORAN: Yes.

Mr. GREEN: Well are those landing rights covered by agreements?

Mr. MORAN: You do not have to negotiate a new agreement with a country to take care of each location in which you may wish to exercise landing rights. For instance in the case of the United Kingdom with whom we have a bilateral agreement it would not be necessary to negotiate a new agreement to get landing rights at Hong Kong. You simply make application to the air authorities for traffic rights at Hong Kong and it is granted within the terms of the existing agreement. It is the same with the United States with whom a bilateral agreement now exists. The most recent application under that agreement has been one made by T.C.A. for traffic rights at Tampa and St. Petersburg on their southern run. That has not necessitated a negotiation of a new agreement with the United States but simply an application under the existing agreement for traffic rights in a new and different location.



Mr. GREEN: Does the present Chinese communist regime in China recognize our landing rights at Shanghai and Nanking?

Mr. MORAN: Well CPA would not try to operate into Nanking. All they are doing at the moment is making familiarization flights over their proposed route. No regular service has been inaugurated but I think it would be most unlikely that they would attempt to fly into Nanking, in fact I am sure they would not.

*By Mr. Stick:*

Have you any further information regarding the negotiations going on with the United States in connection with Gander Airport in Newfoundland? I understand Colonial Airways objected to our flying from Montreal to New York and there was some talk regarding the United States rights to land at Gander.

Mr. HEENEY: The situation there, Mr. Chairman, is that the giving of effect to certain phases of the bilateral negotiations between the United States and Canada was suspended by the action taken in the courts by Colonial Airways. They obtained an injunction in a first court and when that was appealed by the T.C.A. before a three-men court the appeal succeeded. My understanding is that the injunction, and here I speak with some diffidence, the injunction is effective until it is raised by application of some sort. Colonial Airways have announced that they propose to appeal from the three-man court to the Supreme Court of the United States.

*By Mr. Green:*

What is the position of the United States airlines landing at Gander?—A. They are at the moment operating under a 30-day temporary licence which I think has been extended to the end of November.

Q. Until this matter is cleared up in the United States court?—A. It has been stated by the Canadian government that it was a temporary measure which could not be extended indefinitely unless the United States were in a position to discharge and give effect to the obligations which they themselves undertook in the agreement in question.

Q. Have we got any agreement between us?—A. The present U.S. rights at Gander are enjoyed under an extension of a temporary thirty-day licence. The obligation to provide these rights arose from the agreement. The question now is how long one side can continue to discharge all of its obligations while the other side, through no ill will on the part of the executive, is unable, on account of legal proceedings, to discharge all of the obligations which it undertook.

Mr. McCUSKER: I wonder if all this should be written into the record again? Hon. Mr. Pearson dealt with all this before.

The CHAIRMAN: Yes we should not have repeated discussions on items. Of course all this has to be kept on the record but it should always be on the minds of the members not to repeat themselves.

*By Mr. Coldwell:*

Q. There is no way that the United States can reciprocate by granting a temporary licence.—A. Not so long as this injunction is in effect.

*By Mr. Fleming:*

Q. Could we have a report on the extent of the conventions that have now been entered into in recognition of the five international air freedoms?—A. I think I will ask Mr. Moran who is familiar with this subject to answer.

Mr. MORAN: You mean the multilateral agreement?

Q. I understand the minimum was two freedoms out of the five but there was provision made for individual countries who are members of I.C.A.O. to enter into any of the other three, this is my understanding, and Canada had already gone, I think, as far as four. Could we just have a report on the situation in general?

Mr. MORAN: The policy is still to negotiate a bilateral agreement covering only the first four freedoms although the Canadian delegation to the air conference at Geneva two years ago indicated that the fifth freedom would be granted in the event it was included in a multilateral agreement. There were wide difference of views on a number of the articles of the multilateral agreements and one was never negotiated. Thus the Canadian policy remains one in which we negotiate bilateral agreements embracing the first four freedoms. Two exceptions are the United Kingdom and the United States.

Mr. FLEMING: Can you supply a list of the countries with which Canada has entered into these bilateral agreements?

Mr. MORAN: Yes.

Mr. FLEMING: I was just asking Mr. Moran if he would furnish a list of the countries with which Canada has those bilateral agreements covering these additional freedoms of the air.

*By Mr. Pinard:*

Q. Would this be an appropriate time to ask Mr. Heeney some information about the headquarters of ICAO in Montreal on Dorchester Street. I wonder if Mr. Moran or yourself would give the information.—A. On what particular feature?

Q. I would like to know if the building is completed now and occupied?—A. The building is now occupied by ICAO. At least a portion of the building is now occupied by ICAO under arrangements in which the government made it possible for them to obtain a lease of these premises.

Q. This lease is obtained from whom?—A. The lease is from the Department of Public Works.

Q. To whom?—A. To the international organization, I.C.A.O.

Q. To what extent is the building to be occupied by that organization? Will they occupy the whole building or only a part?—A. I think it is part of the building which is at the present time occupied by that organization.

Mr. COLDWELL: Is there not a TCA office in that building too?

Mr. MORAN: My recollection was that ICAO started out negotiating for certain floors of the building and on making a reconnaissance they found the space they were negotiating for was not adequate to house the whole organization and they made what I think was an arrangement to take over the most of the building.

Mr. COLDWELL: I think the TCA has an office in that building.

*By Mr. Pinard:*

Q. I would like to know the cost to Canada of that.—A. I have a note here which is on the supplementary estimates. I would like to put it on the record, not the one being considered but one a little later along in the list.

"Vote No. 776—Supplementary Estimates—Amount Required—\$63,927."

Q. What is the item in the supplementaries?—A. I am looking at the breakdown list that was distributed. I think if I read this note and after that if there is anything further required I shall add to it. The explanation reads:

This supplementary estimate is required in order to supply the International Civil Aviation Organization secretariat with office space in the

New Canadian National Railways building, Montreal, Quebec, at a non-commercial rate. It was decided that the Department of Public Works should lease the space for a term of 20 years and sublet it to I.C.A.O. In the course of negotiations between Public Works and the C.N.R., the price of \$3.25 per sq. ft. was established. The C.N.R. showed their estimates of the cost of the space to be made up of interest on money invested, real estate taxes, amortization and maintenance. The director of the cost of Inspection and Audit Division of the office of the comptroller of the treasury advised that \$2.50 per sq. ft. would be a reasonable estimate of the cost of the space to be leased by I.C.A.O. and that the amount of 75c per sq. ft. should be considered as the difference between a commercial and non-commercial rental. The rent asked by the C.N.R. will therefore result in an annual subsidy of \$63,926.25.

For this sum Parliament is now being asked.

Q. If I may interrupt you at this stage—the C.N.R. is an agency of the government owning the building, is that correct?—A. They have the title.

Q. Did they build this headquarters for ICAO?—A. I am really not in a position to give complete information but my understanding is that the government knew the requirements of ICAO before the building was proceeded with.

Q. My interest is in trying to find out not only the proportion that Canada is paying but what would be the proportion that the other nations are paying towards the cost of the building?—A. There is no proportion of the cost of the building paid by other nations. All of the nations contribute in certain fixed proportions to the budgetary requirements of the organization. The rental that has been established provides for what is really a subsidy. It is an additional facility provided by the government of Canada as, I suppose, the host country. That is the way I understand it.

Q. In fact the building was erected with money of UNO?—A. Oh no. The C.N.R. erected the building.

Q. I have been informed that there were also some private aviation companies who put up some money for the erection of that building.—A. Not to my knowledge, Mr. Chairman.

*By Mr. Coldwell:*

Q. Are there any private aviation companies renting space on the first floor?—A. They were in there.

Q. Has not the T.C.A. its whole staff in there, the staff they moved from Winnipeg?—A. ICAO have 85,000 square feet of that building under lease.

*By Mr. Pinard:*

Q. I would like to know more about the erection of that building. I would like to know how it was done, what it cost and who actually built it.—A. I think Mr. Chairman, that these questions might better be addressed to another department. We are not in a position to answer them.

Q. Would I be able to get better information from the Department of Public Works?—A. Or the Department of Transport.

May I complete my statement in regard to this element of subsidy, Mr. Chairman? My statement is directed solely to this question of subsidy. That is our responsibility to provide for this sum in the estimates and I would just like to complete what I was going to say.

In order to provide ICAO with headquarters at a non-commercial rental the Canadian Government has agreed to pay the difference between the amount to be paid by ICAO and that to be received by the C.N.R. annually, on 85,235 sq. ft. at 75c per sq. ft.

The amount being requested as a Supplementary Estimate to cover the above payment is \$63,927.



*By Mr. Green:*

Q. That will be an annual request?—A. That will be an annual request.

Q. Why should Canada pay that rather than have that sum paid out of the funds of the organization itself?—A. Mr. Chairman, the reasoning is that Canada, as the host country, should make available premises at cost to this international organization situated in Montreal.

Q. Does ICAO levy on the different member nations in order to get the funds with which to build airports?—For example, Vote No. 774 International Civil Aviation Organization \$138,759. That, of course, would only be Canada's share. Why should they not also levy the cost of obtaining a headquarters? Why should Canada subsidize them to the extent of well over a million dollars in twenty years?—A. All that I can say in reply to that question is that the situation generally regarding the headquarters of specialized agencies is that countries in which headquarters are located have made available on more or less favourable terms (in many cases I understand, at considerably greater proportionate cost than is involved in this case) premises for the headquarters of these organizations. It might be said that such arrangements constitute an additional contribution by the country in which the headquarters are located. It is of course argued on the other hand that the presence of an International Organization in the community or in the country does provide considerable material and other advantages to the country that possesses the headquarters.

Q. Of course we pay our share of the rent that is charged against ICAO?—A. Oh yes.

Q. But in addition to that we are paying \$1,260,000 in twenty years just for the privilege of having the headquarters of ICAO in Montreal?—A. That is substantially correct. I might draw to the attention of the committee that the custom has grown up to provide interest free loans for the construction of United Nations buildings. The most striking example of that is the arrangement that has been made in the United States for the headquarters of the UN organization itself under this arrangement, the site was provided privately by a foundation and the money for the construction was provided through an interest free loan to the United Nations. There are other examples I could give, notably the Swiss.

Q. That is a loan that the Americans made?—A. That is an interest-free loan. In our case we are subsidizing to the extent of \$1,260,000 the housing of that organization in a twenty year period.

Mr. McNAUGHTON: Mr. Chairman, that is only a part of the picture: \$67,000 a year or \$1,260,000 in twenty years is almost immaterial in proportion to the prestige and importance given to this country by the fact of having the headquarters of that organization established here in Canada.

*By Mr. Green:*

Q. Would they not have come to Canada if they had not been subsidized to that extent?—A. One cannot answer yes or no to that question. There was on one hand a desire to have them and on the other hand a desire on their part to come. At one time it looked as though they were going to go elsewhere. It was by no means certain that ICAO would agree to remain. It was generally felt that it was in the interest of Canada that the headquarters should remain in this country and it did.

*By Mr. Fleming:*

Q. I would be interested if Mr. Heeney would elaborate on what he hinted at in regard to other examples—a moment ago he suggested other examples could be given.—A. Mr. Chairman, I could provide the committee at its next meeting with a list of the arrangements that are made by host countries comparable to this provision of a building for the ICAO. It is certainly my

impression that the element of subsidy here in respect of headquarters premises is by no means disproportionate to what has been done in other countries to provide space and facilities for other organizations of an international character particularly specialized agencies of the United Nations.

Q. Perhaps Mr. Heeney could bring that to the next meeting.

The CHAIRMAN: We are not discussing Item 58. That discussion should come when we come to Vote 776 to provide the International Civil Aviation Organization with office accommodation at cost.

*By Mr. Fraser:*

Q. While we are on this item. During the time the International Labour Office was a guest of Canada, did we subsidize a building for them?—A. As Mr. Fraser is no doubt aware, the I.L.O. headquarters were temporarily in Montreal. They are now returned to Switzerland.

Q. Did we pay for the building when they were here?—A. I am not able to answer that question from memory.

Mr. FLEMING: That may be included in the statement that Mr. Heeney is going to bring to another meeting.

*By Mr. Fournier:*

Q. What percentage of the whole cost does this \$63,000 represent?—A. Of the total cost of the building?

Q. What is the total cost, for rent purposes?—A. That would require a calculation which I am afraid I cannot make in my head. The non-commercial cost per square foot is estimated at \$2.50; the rate which the C.N.R. is charging is \$3.25 which includes the other elements.

Q. Per square foot?—A. Yes.

*By Mr. McCusker:*

Q. What are the other elements?—A. The other elements are interest on capital invested—the C.N.R. showed an estimate of the cost of the space based on the interest on the amount invested, real estate taxes, and maintenance.

Q. Does that bring it up to \$2.50? Would not the \$2.50 cover that?—A. No. Those elements are included in the \$3.25 but not in the \$2.50. \$2.50 is the cost excluding those items.

*By Mr. Fournier:*

Q. You have not got the total cost?—A. No.

Q. You say when you pay \$63,000 that it represents a balance. I would like to know what percentage is represented by the \$63,000?—A. I do not think I have all the elements here to make the calculation unless it is true that the 85,000 odd feet is the whole building.

Q. I am not talking about the footage. I would like to know what percentage the \$63,000 represents of the total amount for the rent?—A. Of the amount for the rent of the whole building?

Q. We have to pay \$63,000?—A. Yes.

Q. We have undertaken that payment and, although you may not be prepared to give the answer today, I would like to have it tomorrow or at another convenient time.—A. Mr. Moran will take a pencil and figure it out.

Q. We can wait. It is not necessary to do it now.

The CHAIRMAN: Will the item carry, subject to the further information to be provided?

Carried.

Mr. McCUSKER: The figure which Mr. Fournier wants is an application of a ratio of ten to three.

*By Mr. Green:*

Q. Is this a set figure for the whole twenty years or will there be an increase in the amount before the twenty years has expired?—A. This covers the whole period of the lease.

Q. The lease is for twenty years?—A. Yes.

Mr. PINARD: Your department is asking for \$22,300 for expenses of the Canadian delegation. Where does the delegation meet, generally?

The WITNESS: That is for the staff of the delegation in Montreal—Mr. Booth and his subordinate staff.

The CHAIRMAN: Item 59.

Mr. GREEN: According to the statement filed by the Under Secretary \$651.56 was spent under a similar item last year. Can he explain how the expenditures were made up?

The CHAIRMAN: Is that under item 58?

*By Mr. Green:*

Q. No, under 59.—A. That was an over estimate, Mr. Chairman. The cost involved—travelling expenses and cost of meetings of the Permanent Joint Board were reckoned to be greater than they actually were. The reason for the difference between the actual expenditure in the last fiscal year and the amount asked this year is that we are unable to make any precise forecast of where the Board will meet, how often, and consequently what exact expenses will be required.

Q. All amounts spent in the last fiscal year were for travelling expenses?—A. Travelling and hotel expenses for the delegation.

Q. How large is the delegation?—A. There is a chairman on each side; there is a member from each of the services on each side, a secretary from the Department of State and one from the Department of External Affairs. There are also sometimes advisers and experts.

Mr. STICK: This represents only external affairs expenditure and not defence expenditure?

The WITNESS: No, that is expense of the Board. I am informed this represents travelling expenses of all Canadian members of the Board. It may be that the expenses of military members is reduced by their having railway warrants or something of that sort, but the item represents the cost of the meetings.

*By Mr. Green:*

Q. How many times has the Board met during this calendar year?—A. I have not got those figures with me but, normally, they meet once every three months or so.

Q. I will tell you why I am asking these questions. As I understand it this is the body which is primarily responsible for the co-ordination of the American and Canadian defence efforts in the north and I am just wondering whether the Board has been allowed to become more or less of a formality, and whether it actually assumes any responsibility. I hope I am wrong in that but it would appear that they are not having a great deal to do although the situation is such that somebody should be doing a good deal of planning about this joint defence. I have here an issue of November 18 of U.S. News and World Report. The heading is "Alaska—another Pearl Harbor? An interview with Ernest Gruen-



ing, Governor of Alaska. Defences called so weak that two divisions of paratroops could take all—Five million Russians have settled across strait from Alaska's 100,000—Economic upbuilding of Territory is held vital need."

The governor points out that factories are being moved from the United States west coast for fear of bombing from Siberia and across the Bering strait. For example he says a large portion of the famous Boeing plant is being moved from Seattle to Kansas; another plant is being moved from southern California to Texas. I had no idea that the situation was so serious. I also see by yesterday's press that the United States is spending \$180,000,000 on Alaskan construction in the next year, largely for defence measures. Canada is just as much concerned over anything that happens in Alaska as is the United States. I am just wondering whether this Joint Defence Board is the organization which does the planning in connection with this problem? Certainly they do not seem to be active enough, judging by this estimate, to do much more than hold reunions every three or four months.—A. If the committee will permit me I would like to make an observation from the point of view of external affairs which is a department that is very intimately connected with the Department of National Defence in such relationships as these mentioned. I think the committee is aware that the permanent Joint Defence Board is not an executive body but that it is a body for submitting recommendations and advice in the field of Canadian-United States defence. It is certainly not the only agency involved in joint defence planning. There are direct contacts not only between the Chiefs of Staff of the two countries but between the actual executive planners of the defence departments of the two countries—the defence forces of the two countries. I am only entitled to speak of our end but the Board is not a planning body as such at all. The number of meetings which it holds would not be in any sense an accurate reflection of the extent of planning that is taking place jointly between Canada and the United States.

Q. Take such questions as the construction of a railway through northern British Columbia and the Yukon to Alaska. Would the Permanent Joint Board have anything to do with considering such a plan? The Americans, of course, have been talking a great deal about it and passed a bill through Congress the other day. Would that matter come under the jurisdiction of this Joint Board?—A. It might. It is largely a question of the choice of the President of the United States and of the government of Canada of what type of proposals come before the Joint Board on Defence. The procedure is that questions which will form the subject of discussion are settled in advance between the two sections of the Board. The subjects mentioned by Mr. Green might be the subject of recommendations but that would not mean that the Permanent Joint Board would do the actual planning. That is the point I am trying to make.

Q. Is the Under Secretary free to say what type of problems are referred to this Board?—A. I might give one or two examples which I think have been made public. I think it was last year that the Prime Minister announced a set of principles for co-operation in defence matters between Canada and the United States—such matters as the exchange of officers between the two countries, for training, the mutual use of facilities, the principles which would apply in the taking of equipment over the border and the use of facilities by Canadian troops in the United States and United States troops in Canada. I have forgotten the date of the announcement but I could get it. It covered that type of thing. A great deal of material that comes before the Board is of a security nature and I am not at liberty to mention it but I believe that publicity has been given to the items I have mentioned.

Mr. STICK: It would be questions of principle?

The WITNESS: Yes, they are broad questions of principle that come before the Board; they do not get into much detail although they have the reports of the activities of the planners.

*By Mr. Green:*

Q. The defence forces make the plans?—A. That is right.

Q. This is just a sort of reviewing body?—A. They do act as a reviewing body but they also have the right to initiate although they initiate in a broad general way and not by the preparation of precise plans.

Mr. FLEMING: Who are the present members?

The WITNESS: The Canadian chairman is General A. G. L. McNaughton; the acting chairman on the American side is Major General Guy V. Henry. The Canadian members are: Rear Admiral F. L. Houghton, Vice Chief of the Naval Staff; Air Vice Marshal A. L. James, Air Member for Air Plans; Major General H. D. Graham, Vice Chief of the General Staff; Mr. C. C. Eberts, from the Department of External Affairs, the Canadian secretary. The other members on the United States side, in addition to General Henry are: Major General C. L. Bolte, United States Army; Rear Admiral Ruthven E. Libby, United States Navy Department; Major General J. R. L. Walsh, United States Air Force, and Mr. William T. Snow, Department of the Secretary of State, the joint U.S. secretary.

Mr. BAKER: I am beginning to think that this Board acts only in an advisory capacity. Am I correct in that?

The WITNESS: That is correct.

Mr. GREEN: They are really not functioning to the same extent that they were during the war. At that time they made a great many important decisions I believe?

The WITNESS: They made a great many recommendations. The Board's first years were very active. My impression is that this last year has also been quite an active one although the actual number of meetings may not have been very great. The members do correspond directly with one another and are recognized by our two governments as being an additional channel of communication. The chairmen can correspond with one another regarding the initiation of projects and the service members, in addition, have the custom of corresponding with one another.

The CHAIRMAN: Shall item 59 carry?

Carried.

Item 60.

Mr. MacINNIS: Has the department had a request for a larger grant this year?

The WITNESS: It is my impression that the department has had no formal request but there was evidence that the organization would welcome more money.

Mr. CROLL: My recollection is that last year when this United Nations Society was discussed there was the fervent hope held out that more money might be forthcoming to assist in the work. Has the matter been given that sort of serious consideration?

The WITNESS: Yes, the department has considered it. When I said that the United Nations Society has not made a formal request for more money I believe I am correct; nevertheless, I have no doubt they would welcome more if the government could see its way clear to authorize it. However, the grant has been fixed at \$5,000 and that is what is being asked. However, I would like to draw the attention of the committee to the fact that the Department has been able to help the Society in a number of other ways. We are most anxious to help and have done so in quite material ways. One item that I recall is in connection with the distribution of the departmental bulletin. We were able, from our own departmental finances, to provide the Society with the "External

Affairs" at less than cost. That is quite an advantage to them because if that had not been possible they would have had to increase their membership fee by 50 cents or 75 cents.

Mr. FLEMING: It would have been necessary for them to abandon one of their own publications.

The WITNESS: Well it enabled them to change the nature of the Society's own bulletin. They no longer need to include the kind of official statements which the department releases in its monthly publication.

Mr. GRAYDON: Some of us have had an opportunity to observe the very splendid work that is being done by this Society in the field in which they operate in Canada. I would hope that the Under Secretary might take into consideration and review the matter during the coming year to see if perhaps some special consideration could not be given to increasing the grants to this Society. It performs a more useful service than some members really believe. It has not had the advantage of large scale publicity on its work and, when an organization has not that advantage, it is sometimes apt to be forgotten in claims for benefits or votes of money from the government. I happen to know of some of the splendid work that is being done by the Society and perhaps the Under Secretary in the next year could find time to review the situation with the officials of the Society. If it is found that it performs the service that we think it does perhaps we can look for some additional help.

Mr. FLEMING: As a former secretary of the Toronto branch of this organization I can say that there has never been a time when the worthy work of the Society has not been hampered by lack of funds.

Mr. FOURNIER: I do not belong to the Society but I have heard much about it and I would favour something being done.

The CHAIRMAN: I am sure that Mr. Heeney realizes the feeling of the committee on that score.

Mr. FOURNIER: Perhaps some mention of the matter should be made when the committee makes its report.

Mr. GREEN: The suggestion has also been made that in some cities the government might make office space available to the Society. I know that it had great difficulty in finding accommodation in Vancouver and I am wondering whether recommendations of that kind have been considered by the government.

The WITNESS: It is not for me to say what the government might do or be willing to do in this matter. However I would not be stepping outside of my proper role if I were to say that as far as the department is concerned—and I am sure that I speak for my Minister as well—the services performed by the United Nations Society are held in very high regard. General Burns, chairman of the administrative committee and Miss Bowlby, the general secretary of the Society stationed in Ottawa, asked me to a meeting the other day, convened by the Society, of voluntary organizations throughout Canada to consider better means for spreading information concerning the United Nations throughout Canada. I was very glad to accept, and to say there to all those people that we enjoy excellent relations with the organization and that we attach great importance to their work; further that we were very glad to be able to give the kind of co-operation that we have been giving and do give every day. I would like the committee to know that. Although the grant may not be as large as some members may feel it should be the amount is not the measure of support which the department has given to the Society. There are a great many things which can be done the measure of which is not financial.

*By Mr. Croll:*

Q. You have consulted with the executive about this grant and have thoroughly canvassed the field with them?—A. Yes, we have consulted with them.



Q. Are they fairly happy?—A. I do not like to speak for them but I can certainly say they are happy or they feel that they are getting good co-operation from the Department of External Affairs.

Q. I would agree with you there, but are they happy about the grant?

Mr. GRAYDON: There is a possibility of making them somewhat happier, no doubt?

The CHAIRMAN: Would the members be in favour of a recommendation of an increased amount?

Some Hon. MEMBERS: Hear, hear.

Mr. FOURNIER: Do we have to make a motion?

The CHAIRMAN: We can make a recommendation.

Mr. GREEN: What about office accommodation?

The WITNESS: We have no office accommodation available as a department in Vancouver, but I would be very glad to consult with other departments which have space there. That is the kind of thing we would be glad to attempt.

The CHAIRMAN: I suppose we could have a lot of discussion on this matter, but likewise we must remember there might be requests from other organizations.

Mr. FOURNIER: If we had plenty of time we might call the president to testify about their operations but, of course, we have not the time for that.

Mr. FLEMING: Any recommendation from this committee would have to be that the government give consideration to the matter. It would not be proper for us now to mention any amount. I would suggest that we ask our secretary to prepare, as part of our report, a recommendation that the government give consideration to an increase in this grant.

The CHAIRMAN: Shall the item carry?

Carried.

Item 61?

Mr. GRAYDON: Before we go on with that item I wish to deal with the end of section (a) of item 60—representation abroad. I wish to take this opportunity, Mr. Chairman, following the discussion which took place yesterday at the close of our meeting, to move formally that this committee call the Honourable T. C. Davis, Canadian ambassador to China before this committee for the purpose of giving a factual review of conditions as they presently exist in the country to which he has been appointed ambassador.

Mr. HARRIS: As I undertook to do yesterday, I have consulted the Minister on the subject and I have also looked up the record of what he said two or three days ago. He made two points in reference to the subject and one of them I detailed yesterday—the inconvenience that might be caused to the ambassador. The second thing which I had forgotten yesterday is that if he did come it would probably require discussion off the record. That thought is included in the final words of Mr. Pearson two days ago.

I explained to the minister what was said on the matter here and the minister agrees with me that, under the present circumstances in China it would not be desirable to have Mr. Davis called before the committee. He also agrees with me on what I said yesterday that the principle involved—the general principle of whether it would be desirable for this committee to call ambassadors and other persons—will be considered between the end of this session and the beginning of the next session so that there may be a clear understanding before the next committee meets as to what we can or should do. I do not think I can make my position any clearer than that. I am opposed to the motion.

Mr. FLEMING: As I understand the motion which Mr. Graydon is moving, it is that Mr. Davis be called to give factual information and not that he be

questioned on any matters of government policy. It seems to me that on that basis the motion is deserving of our support.

It may not be long before parliament is called upon to make a very vital decision on this question of the Peking regime. If parliament has to make a decision on such an important matter it is desirable that parliament should have as much information as is available. There is a certain amount of information available now but Mr. Davis is in a unique position to give factual information to a parliamentary body. As long as this committee refrains scrupulously from asking questions in relation to government policy it seems to me that there is no body that has a higher claim to that factual information than this External Affairs Committee of the House of Commons.

I hope the Committee will pass this resolution.

Mr. FOURNIER: Mr. Chairman, I speak only for myself, but I am opposed to this to the last ditch. I do not think we should create a precedent and call an ambassador and put him on the grille. If you do not want to ask him any questions what is it that you want from him?

Mr. FLEMING: I was referring to questions on public policy.

Mr. FOURNIER: You can obtain that information from the minister, the deputy minister, or the other officers. In the light of the position these people hold in the world I say that it is not in order for them to talk. The moment they do talk they have lost their prestige and they have lost everything. They are posted abroad to work in silence and I will oppose the motion to the last ditch.

Mr. HANSELL: Might I ask if Mr. Heeney can enlighten us as to whether in the United States, for instance, or in Great Britain, they have ever had any of their ambassadors or legates appear before any of their foreign relations committees.

The WITNESS: As I understand it, in the United States the answer is yes, but in the United Kingdom the answer is no; in Britain they have no committee of the same character on foreign affairs.

Mr. FOURNIER: May I ask Mr. Heeney whether those people are called by permission of the committee or permission of the government? Is it enough that the committee invites them, without requiring the permission of the government?

Mr. CROLL: In the United States they can be subpoenaed by the committee. It is a different form of government and the only form of government you can contrast with ours is the British government. In the United States committees form government policy but here the government forms policy and committees recommend.

Mr. HANSELL: In answer to Mr. Croll, I do not think that is the point in question. The point in question is whether it would affect an ambassador in his work—whether it would lower his prestige? If it would not do so in the United States I do not see how it can do so here. As I said yesterday, in answer to Mr. Harris, I am not going to press for Mr. Davis if we can have another official give the same picture. At the same time, I think I will have to vote for the motion.

Mr. COTE: Even if the motion carries unanimously I suggest that we cannot have any ambassador here if the minister responsible for external affairs says no. As Mr. Croll has pointed out, the committee, and even the House, is not directing policy. It is the government that directs policy. The government submits its policy to parliament and it may be then referred to a committee. We may realize the policy of the government but we have no jurisdiction at all either in this committee or in the House on the formulation of policy.

As I understood the minister's statement, the policy of the Canadian government is in the process of being established but has not yet been decided. The

ambassador may be in Ottawa for that very purpose. The government may have to put forward entirely new proposals before policy is established but, I think it is altogether uncalled for to have the ambassador before this committee and put in a position where he must answer our questions.

Mr. HARRIS: I forgot to cover Mr. Hansell's request of yesterday. I gave him the assurance that the head of the Far Eastern Division of External Affairs would be available to give any information that is desired. I should say that the head of that department and the deputy minister are in receipt of all the information which the ambassador to China has obtained in that country. He has forwarded that information in the form of reports and any question which you can ask the Ambassador can be asked of the deputy minister here today.

Mr. MACINNIS: I do not suppose that there is anything I need to say except in regard to the point made by Mr. Fleming that we need factual information because we have to make a decision on policy. Parliament will not be called upon to make a decision of policy in connection with recognition of the new Chinese government; that will be done by the government. If parliament does not approve it will be a parliamentary problem but nothing we can find out from Mr. Davis in the way of factual information would be of any assistance in a decision of policy because we have not got to make that decision. It should be remembered that Mr. Davis is here because of the conditions that exist in China and I do not think that the minister would allow him, nor would he come here, to make any submissions that might be instrumental in making his return to China less effective than it might otherwise be.

Mr. PICARD: I think if we adopted that motion it might have far reaching consequences. Not only might Mr. Davis be called here but all other ambassadors who are in Ottawa at any time may be called. We are opening the door to something very unusual in procedure. I think we have to make up our minds first whether we need him to help us arrive at a conclusion or make a recommendation. We have the responsible officers of the department at our disposal and they should be enough to allow us to be informed on the matter. I do not think an ambassador should be encouraged to talk. I remember Mr. King at one time answering a question as to why the Governor General did not open more hospitals and make more speeches. Mr. King replied that the less the Governor General speaks the better. I think that applies to any ambassador; and most ambassadors who have made statements of their own while on leave or after they have left have caused more harm than good. As a matter of principle I think he should not be called upon to express opinions. It is quite hard for the man to come here and say he will set his own opinion apart from departmental views. So I think as a matter of general principle we should be opposed to asking an ambassador to come here, and we should ask all the information we can from the responsible officers of the department on questions of policy as well as on any report that may come from the ambassador.

Mr. STICK: It is a question of policy. I do not see how the government can form a policy as long as the situation is as fluid as it is, and until the situation becomes stabilized how can they form a policy. If we are to get an ambassador here to help us form a policy—if I were in his place I wouldn't come.

Mr. FLEMING: I will read a passage from Mr. Pearson's evidence before this committee on November 18th. Nobody suggested that the committee is going to form any policy, but at some time or other parliament is going to have to pass judgment in approval or disapproval of the policy the government is going to announce some time soon. I am going to read from page 24 of the minutes of proceedings of Friday, November 18, 1949. I asked this question.

Is it the government's intention, if they decide to recognize the communist government at Peking, to do so without consulting Parliament, or is it their intention to consult Parliament first?



Hon. Mr. PEARSON: I have no idea. But if Parliament is not sitting, and Canada seems to be required, if there is an agreement among a lot of countries to take action at a certain time, the government might find it necessary to take that action. But, if Parliament is sitting, I should think they would, at least, want to inform Parliament of what they were contemplating.

Mr. HARRIS: Read the next two questions.

Mr. FLEMING: But not necessarily to seek the approval of Parliament before extending recognition?

Hon. Mr. PEARSON: I do not know whether the government would feel it necessary or desirable to have Parliamentary approval before a step of that kind.

And then there are questions asked about the customs elsewhere. My point is this. Mr. MacInnis has assumed in what he had to say that Parliament is not going to be consulted. Certainly the evidence of the minister does not bear that out at all.

Mr. MACINNIS: I know Parliament just as well as the minister.

Mr. FLEMING: Some time or other, perhaps not at this session, but very soon in the new year, certainly before this committee may meet on this subject again, some declaration of policy will be made and surely Parliament ought not to be denied or this committee ought not to be denied factual information.

Mr. FOURNIER: You can have it from another source.

Mr. FLEMING: Yes, but it is not the same thing at all.

Mr. DICKEY: There is no suggestion that there is any denial of factual information. It has been stated that all the information will be available to this committee and it is not a question of whether this committee can make policy or not. The question is, from whom are we going to get the information. Now I am fairly in agreement with the proposition that it is improper to call before this committee an ambassador at present in this country who is still accredited to another country and ask him to give us a statement about conditions in that country.

Mr. CROLL: I can think of no more embarrassing position to be in than to have Mr. Davis come before us and find he cannot answer the questions we ask him or have him saying "I cannot speak about this and that." As a result we would be very disappointed and he would be very unhappy and none of us would be content. Actually the case is well presented now. We can have all the information we want from the proper officials and I do not think that Mr. Davis can add anything to what they have already said. As far as recognition is concerned that is the responsibility of the government. Certainly if Parliament is sitting the information will be conveyed to Parliament that this is the course of action to take, but, if on the other hand, the powers have agreed that they will simultaneously make an announcement, then the announcement is made in the light of the arrangement. It is made by the United States and other countries simultaneously. It seems to me we are asking a little too much of the department. I do not like to be in a position where we deny anyone anything but under the present circumstances Mr. Graydon, who has always made good contributions to this committee, should not press this motion because I think it will be embarrassing to us at some other time when another occasion may arise when we do want to have some one in that sort of a position come here and find that at one time we voted against it. Perhaps Mr. Graydon would reconsider and withdraw his motion.

Mr. MCCUSKER: Just to set the record right, Mr. Fleming made the statement that we could obtain the information that is required from the officers of the department rather than from calling the ambassador and some one said "Yes, but it would not be the same information."

Mr. FLEMING: I said it is not the same thing at all. .

Mr. McCUSKER: I would like to get that record correct because I think that is a pretty bad thing to go out.

Mr. FLEMING: I did not say that. I said it is not the same thing getting this information or certain information secondhand as being able to ask a man who has firsthand information, because it is not reasonable to expect that a man who is giving information second or thirdhand has all the information.

Mr. McCUSKER: I will accept that explanation now that he has explained the statement, but the statement did sound a little startling.

Mr. COTE: Do you think it would be proper for this committee to look into the diplomatic valise of any of our ambassadors? It is still worse to ask an ambassador to come here. I suggest, Mr. Chairman, that our good friend withdraw his motion.

Mr. McNAUGHTON: I suppose we are all pretty much attracted from time to time by the antics of the American committee method but until such time as those methods have been proved superior to the English system I think, inasmuch as we have the English political system, we should follow English political system lines, and I think it is most improper to bring the ambassador before a committee like this.

*By Mr. Hansell:*

Q. How long has Mr. Davis been in China?—A. Something over two years, Mr. Chairman.

Q. That might alter the picture a little as far as I am concerned because I think the information we want to get, the entire picture, would perhaps involve a longer period of history than just two years. I am not particularly enthusiastic about this motion as long as we can get the information from a top ranking official.

Mr. BATER: As a new member of this committee I would like to go on record and say that after reading an article in Maclean's magazine containing an interview between Mr. Pearson and two representatives of that magazine, and after listening to the minister in the House and in this committee, and after listening to the deputy minister, I do not think we would be fair in asking our ambassador to China to come before this committee. I do not think there is a country in the whole world where the people are better informed by the department on matters of this kind than they are right here through this committee.

The CHAIRMAN: Is there any further discussion on this subject?

It was moved by Mr. Graydon and seconded by Mr. Fraser that the ambassador to China, the Honourable Mr. Davis, should be called to appear before the committee on External Affairs to give factual information on present day conditions in China. Is that correct? Those in favour will signify in the usual manner by raising their hands. Against?

I declare the resolution lost.

Mr. Heeney will give more information about a question asked by Mr. Fleming.

The WITNESS: Mr. Fleming inquired if a list of the countries with whom Canada had bilateral air agreements could be put on the record. I will read the list.

Third and Fourth Freedom Agreements with Belgium, Netherlands, Sweden, Portugal, Ireland, and Australia. The agreement with the Netherlands provides for fifth freedom but the exercise of this freedom is limited by an exchange of notes. In respect of Australia negotiations are at present under way to amend this agreement to provide fifth freedom rights for C.P.A. Fifth freedom agreements, with the United States and the United Kingdom. The following agreements are under negotiation: with New Zealand, Cuba, Brazil, Denmark,

Norway and Iceland. The New Zealand agreement, the Denmark agreement and the Norway agreement are expected to be concluded shortly.

The CHAIRMAN: Shall Item No. 61 carry?

Carried.

Item No. 62?

Carried.

Item No. 63?

Carried.

Item No. 64?

Mr. FLEMING: I want to ask a question about the Interallied Reparations Agency.

The CHAIRMAN: That is on No. 63 but you can ask it.

*By Mr. Fleming:*

Q. I would like to know something about the work they are doing now.

The CHAIRMAN: We are talking on Item 63.

Mr. LEGER: That is labour. That is not the one Mr. Fleming wants to talk about.

The CHAIRMAN: That is Item 63. International Labour Organizations. Does that item carry?

Carried.

Item No. 64. United Nations Educational, Scientific, and Cultural Organization. Shall that item carry?

Mr. DICKEY: Is there any Canadian set-up under that organization at the present time?

The WITNESS: Are you speaking of UNESCO?

Mr. DICKEY: Yes.

The WITNESS: Mr. Dickey may have in mind the establishment of a Canadian national commission for the purposes of UNESCO. No, there is no commission established. The question whether or not one should be established is presently under review by the Royal Commission known as the Massey Commission.

*By Mr. Dickey:*

Q. What does that \$306,000 cover: is there any provision in that for possible organization?—A. No, that is our contribution to the Organization itself.

*By Mr. Hansell:*

Q. Does this organization put out an annual report or any literature that we could study?—A. Oh, yes, a great deal.

Q. I do not recall any of it coming to my desk.—A. We would be glad to supply the members with any literature and pamphlets we have.

Q. I notice there is almost three times as much money for this organization as there is for the World Health Organization and it seems to me that there is a little over-balance there and I am not quite satisfied in my own mind that the relationship is justified. However, I will not ask any more questions, I will wait until I study the organization a little more.

Mr. FLEMING: The matter I was asking about is apparently not carried forward. It appears in a sheet submitted by the department to us. Would Mr. Heeney mind just telling us the explanation? Is the work of that organization completed and is the organization liquidated?



The WITNESS: Yes, I know the agency you mean—the Interallied Reparations Agency. I understand their work is substantially finished, but there is no budget in for continuing or residual work.

Mr. MORAN: The organization is still continuing. Its work, as Mr. Heeney has pointed out, is virtually completed. About one and a half years ago Colonel MacPherson, who was the Canadian representative on I.A.R.A., was recalled and Mr. Thurroit now attends any meetings. He is a secretary in the Brussels embassy. The budget for continuing work was not prepared in time to enable the Canadian contribution to be shown in here; but we will undoubtedly have continuing expenses for the work of the agency. Its main task now is considering the disposition of plants that have been earmarked for reparations in Germany. As a number of members know the list of these plants and equipment was circulated to all the member countries, who in turn advertised them in their own countries, and those who wished to bid were asked to register what was described as an "interest." No Canadian firm or individual recorded any interest in any of the plants that were marked by the agency for demobilization.

Mr. CROLL: You mean dismantling when you speak of demobilization, do you not? They do not belong to the army.

Mr. MORAN: Yes, although I have never confined that word to the army. It was a demobilization plan for German industry. Certain plants were marked for dismantling such as the Krupp works at Essen, for example.

Mr. CROLL: We have had no share in the dismantling that has been carried on by the United States and Great Britain in the main.

Mr. HEENEY: The occupation authorities, yes.

Mr. CROLL: Not only by the authorities; I mean by the personnel.

Mr. HEENEY: There have been no Canadians employed in that.

Mr. FLEMING: I take it from what Mr. Moran has said there may be an appropriation later for this present fiscal year.

Mr. MORAN: Yes.

Mr. FLEMING: Will that come forward in a further supplementary estimate?

Mr. MORAN: It would have to come in the final supplementary unless it were obtained next fiscal year.

The CHAIRMAN: Shall item 64 carry?

Mr. FLEMING: There may be some questions on UNESCO. That is a very big item. I would like to ask some questions about the budgeting on UNESCO and how our Canadian proportion is arrived at. I am aware, of course, of the fact that many other nations are members of the United Nations who are not members of UNESCO, and we had some discussion yesterday as to what seems to be the high proportion charged to Canada. I wonder if some of the same observations may not apply to this very considerable item.

The WITNESS: I can give some fuller information to the committee if the committee wishes.

Mr. FLEMING: If it is not complete let us adjourn now.

Mr. CROLL: UNESCO will be a matter for some discussion and I think we had better have the complete information before we start it.

The CHAIRMAN: Could we leave UNESCO now?

Mr. FLEMING: Yes. It is 5.30; do you intend to adjourn, Mr. Chairman?

The CHAIRMAN: I think Mr. Heeney had better make a full statement tomorrow or tonight, and we will let that item stand for the present. We are now on item 64. Shall item 64 carry?

Carried.

Item No. 65—World Health Organization?

Carried.

Mr. FLEMING: I wanted to ask some questions about the World Health Organization. The same kind of questions as about UNESCO.

Mr. HARRIS: Mr. Chairman, let us hope we can finish in one more meeting and let us arrange matters so that we can; but let us get it done this week, for reasons which I think will be understandable to everyone. I understand Mr. Menzies, the head of the American and Far Eastern Division, is available. If we work for the remainder of the time from now till 6 o'clock, we could clear up every other question except the UNESCO question and so on.

The CHAIRMAN: Then we could leave aside item 65 for the moment.

Mr. MACINNIS: Item 64.

The CHAIRMAN: That is understood. UNESCO is understood; but Mr. Fleming wants some questions to be answered on item 65, so we will leave item 65.

Item 66?

Carried.

Item 67?

*By Mr. Green:*

Q. Will the Under Secretary explain this?—A. The Commonwealth Economic Committee?

Q. Yes.—A. The Commonwealth Economic Committee is the continuation of the old Imperial Economic Committee. It is for all practical purposes now a group for the exchange of information and statistics. That about represents the whole of its present activity. I think it became the Commonwealth Economic Committee in 1933, when it took on some of the studies the Empire Marketing Board used to conduct.

Q. Is it connected in any way with the committee that is carrying on the Canada-United Kingdom economic discussions?—A. No.

*By Mr. Croll:*

Q. What is it for?—A. It is really an office for the provision of statistical information, and is engaged on studies of trade matters.

*By Mr. Fleming:*

Q. Is this a contribution to the budget of the committee or is this just an expense incurred here in connection with the work of the committee?—A. It is the expense involved in the maintenance of a small staff located in London.

Q. What other information have you about that committee?—A. I have not further information with me.

The CHAIRMAN: We will leave it aside now and go to item 68, the Commonwealth Shipping Committee.

*By Mr. Green:*

Q. Could we have an explanation of that item also?—A. The Commonwealth Shipping Committee—I have a statement here which I might put on the record.

The Imperial Shipping Committee was first formed in 1920 to conduct inquiries into empire shipping problems as requested by member governments or by their representatives on the committee. The committee consists of representatives of the governments of the United Kingdom (colonial office), Canada, Australia, India, New Zealand, South Africa and Southern Rhodesia, and of private members representing manufacturers, merchants, ship owners, and civil aviation operators.

The Committee was dormant during the war but resumed activities early in 1946, taking up an inquiry into West Indies shipping and air transport facilities which it had commenced before the war. A report on West Indies shipping has now been issued.

The name has been changed to Commonwealth Shipping Committee.

Canada's financial contribution to the committee for 1947-48 (to the end of March 31, 1948) amounted to £320. We have agreed to the suggestion that, in view of the committee's strong financial position, members should pay only half the normal subscription for each of the periods 1948-49 and 1949-50.

Mr. GREEN: Has it any connection with the discussions taking place in Ottawa now concerning the shipping situation?

The WITNESS: None whatever.

The CHAIRMAN: Item 69? International Joint Commission.

Mr. FRASER: Is this where Mr. Glen is?

The WITNESS: Yes.

Mr. GREEN: On this item I received a copy of the resolution passed by the Engineering Institute of Canada. The heart of the resolution is that Canada has not got adequate representation on that joint commission. It seems to me this is a very responsible body making the representations and there are a great many engineering problems being decided by this commission. I would think there is some merit in the recommendations and could the deputy minister tell us just what the situation is?

The WITNESS: Representations, or a resolution—no doubt the same one that Mr. Green is speaking of—was received by the government. I think the government replied that consideration was being given to the matter of an appointment.

Mr. GREEN: What representation have we on the commission?

Mr. FRASER: Could Mr. Heeney give us the list of all those on the committee?

The WITNESS: The list of members?

Mr. FRASER: Yes.

The WITNESS: The Canadian section consists of two commissioners, Mr. George Spence and the Honourable James Allison Glen. The secretary of the Canadian section is Miss E. M. Sutherland. Four commissioners are required for a quorum. The present vacancy was created as the result of the death of the Honourable Joseph E. Perrault which occurred on June 15, 1948.

Mr. FOURNIER: He has not been replaced?

Mr. FLEMING: The vacancy has existed for a year and a half.

Mr. GREEN: This is really a very important matter. This commission is now considering some very extensive developments in western Canada. I know in British Columbia they are considering, or about to consider making a large water storage basin out of the Arrow lakes which are part of the Columbia river. The resolution submitted by the Engineering Institute points out that the Americans have a full representation and a proper number of scientific or engineering men. It does seem to me that Canada should be in the same position and not treat this as simply another commission. They deal primarily with engineering problems and I do not understand why we have not got engineers on the commission.

The WITNESS: Mr. Chairman I might say, if it is appropriate for an official to do so, that this matter is receiving active consideration and it is hoped that it will not be very long before an appointment is made. The factors which Mr. Green has mentioned are being taken into account.

Mr. MACINNIS: I wish to associate myself with the remarks made by Mr. Green. This joint commission, if it is to do the work that it is supposed to do—



particularly in western Canada—should have men of the capacity necessary and the training necessary to deal with the particular type of work.

Mr. McCUSKER: I may say in that respect that Mr. Spence has probably a wider knowledge of water conditions in western Canada, and international streams in western Canada, than probably anyone else in this country. He has spent a great part of his life in this work.

Mr. CROLL: Is he an engineer?

Mr. McCUSKER: No, but they have had available to them the information of the P.F.R.A. engineers. They have a large engineering body there from which to draw that information.

Might I ask if the personnel of the American part of this commission is any larger than ours?

Mr. FLEMING: There are three members each.

The WITNESS: Senator A. O. Stanley, chairman; Mr. R. B. McWhorter, and Mr. Eugene W. Weber.

Mr. GREEN: The resolution here says that the United States section of the commission is complete in its personnel and two of its members are eminent engineers whereas the Canadian representation is not complete and not one is an engineer.

Mr. MACINNIS: Is there any staff outside of the secretary which was mentioned?

The WITNESS: I do know, but as is known to the committee, experts and engineers are retained from time to time for specific projects. I do not know what the position is with regard to the permanent staff.

Mr. FLEMING: What is the salary paid to each member of the commission?

While that is being looked up I would like to draw attention to the fact that last year salaries and expenses of the commission amounted to \$51,000 and that \$75,000 is being asked this year? Is there any increase anticipated in the salaries and expenses and if so on what account? It would seem to me the salaries and expenses ought to be fairly stable.

The WITNESS: I think the expenses vary according to the size of the commission's role and the particular references which they must dispose of. It happens that their current role is quite heavy. I have a group of references which they have now before them, and many of those involve a considerable number of sittings and also the retention of a good deal of expert advice.

Q. You would say just briefly that the work this current fiscal year is likely to be heavier and involve more expense than in the last fiscal year when only \$51,000 was needed?

Mr. BENEDICKSON: Did the Under Secretary say he had a list of the projects they were engaged on?

The CHAIRMAN: Would it be satisfactory to have them put on the record?

Mr. GREEN: Are there very many of them?

The WITNESS: I could read them quite rapidly if the committee does not want a description. Sage Creek reference; Columbia River reference; Passamaquoddy reference; smoke pollution reference—that is the Windsor and Detroit area.

Mr. FRASER: They ought to have one here in Ottawa.

The WITNESS: The Western Valley reference; the Souris Red River reference; the pollution of boundary waters reference.

Mr. CROLL: That is at Niagara Falls. They are on that now.

Mr. FLEMING: Does that last reference apply only to Niagara?

The WITNESS: The Detroit and Niagara rivers. It applies to the waters of the St. Clair river, Lake St. Clair, the Detroit River, and the water of the St. Mary river from Lake Superior to Lake Huron.

Mr. FLEMING: Lake Ontario is not included in that particular reference?

The WITNESS: No, but it is anticipated that it may be extended to those waters.

Mr. FLEMING: In view of what happened last summer?

Mr. CROLL: As a matter of fact, Mr. Fleming, I took that matter up with Mr. Glen. They are down in that district and they are coming up to Lake Ontario.

Mr. LEGER: May I ask Mr. Heeney if the Passamaquoddy project is finished?

The WITNESS: Preliminary hearings have been held in regard to this reference and it is expected that the board will submit its report early in 1950.

Mr. FLEMING: I think it might be well to have the full statement on the record. It might be too lengthy to put it in now.

The CHAIRMAN: If it were in our records it would be available to all members of the committee.

Mr. GREEN: Will they have anything to do with the St. Lawrence waterway development?

The WITNESS: I think not directly, Mr. Chairman. I cannot think of any particular way in which they would be brought into that.

The CHAIRMAN: Will these orders of reference be put in our records?  
Agreed to.

Shall the Item 69 carry?

Carried.

Item No. 70—to provide for the Canadian government's contribution to the International Refugee Organization?

Carried.

Mr. FLEMING: Is that about the mid west and western watershed?

Mr. FRASER: Should not that be left along with 64 and 65?

The CHAIRMAN: That will be for the time being.

Mr. FLEMING: What item have you now, Demobilization and Reconversion?

The CHAIRMAN: Item 70—to provide for the Canadian government's contribution to the International Refugee Organization?

Mr. FLEMING: Have you not got the one on the mid-western watershed?

The CHAIRMAN: We passed that in Item 69.

Mr. FLEMING: Could we find out some information about the mid-western watershed activities?

The CHAIRMAN: It is all included in the same item, 69.

Mr. FLEMING: Perhaps we could be told something about the significance of that mid-western watershed vote.

The WITNESS: I will have to ask for that item to be suspended until I can get more complete explanations.

Mr. McCUSKER: That is a commission under Major General Kennedy engaged in studying the water conservation on the east slope of the Rockies?

The WITNESS: For the information of the committee I would like to read the reference in connection with the mid-western watershed:

This is one of the more important references before the commission and was submitted by the two governments in January, 1948. This reference covers the area from the continental divide on the west to the western

limit of St. Mary's river drainage basin on the east and also the area from the eastern boundary of the Milk river drainage basin on the west to the drainage basin of the Red river of the north on the east.

Mr. FLEMING: Have you any information about what stage it has reached. Apparently some money was voted last year and this is a re-vote although it is smaller than the vote of last year by \$4,000.

The WITNESS: I will obtain that information.

The CHAIRMAN: I believe it would be a good time now to adjourn but before we leave are we going to sit tonight?

Mr. FLEMING: I suggest at 8:15.

The CHAIRMAN: Will it be possible for the officials of the department to get the information on the items that we have left for this evening at 8.15?

The WITNESS: Yes, Mr. Chairman.

—The committee met at 8:15 p.m.

The CHAIRMAN: I will call the meeting to order.

**Mr. A. D. P. Heeney, Under-Secretary of State for External Affairs, recalled:**

Mr. FLEMING: Mr. Chairman, on a question of privilege: This issue No. 2 of the Minutes of Proceedings and Evidence of the committee for the sitting of Tuesday, November 22, 1949, came to hand just about an hour ago and turning it over quickly there are, as far as I am concerned, two mistakes which I would like to speak about. First, on page 68 there is a long passage which was attributed to Mr. Graydon. I think I should mention this in fairness to Mr. Graydon; those are my questions, not his. It had to do with the proportion of temporary members of the staff of the department. And on page 55 there are one or two statements here in a question of mine that are definitely not what I said. I am reported here as saying "I think it was pointed out in the course of our discussion that there are an increasing number of officers in the service of the department who have knowledge of both languages, and that there are a few languages that are becoming increasingly popular". I do not remember having said anything like that.

The CHAIRMAN: Before you proceed, will you make that other correction also?

Mr. FLEMING: Yes. Then it goes on, "I am thinking now particularly that where an English-speaking Canadian is being appointed, steps should be taken to encourage him to acquire the use of French at least. I was thinking particularly of appointments to, let us say, South American countries. Do you think that would be of value?" That is not very close to what I said. What I actually said was that we are fortunate in Canada in that the two languages that are spoken, English and French, are the principal diplomatic languages used in the world today, and I did not see how an ambassador to one of our European positions, and also to a South American position, could be completely useful without having both of these languages.

The CHAIRMAN: The correction will be noted accordingly, Mr. Fleming.

Mr. FLEMING: Thank you, Mr. Chairman.

The CHAIRMAN: Mr. Heeney will now proceed with some additional information he has to give to the committee.

The WITNESS: I trust that it is appropriate and in order for me, on behalf of my Minister, to make a reference to the record of proceedings of the first



meeting of the committee when Mr. Pearson was present. Mr. Pearson had to go away quickly to New York and was not able to go over the text himself. However, he sent me by teletype later giving a number of verbal corrections which he wishes to have the committee allow to be made inasmuch as he did not have an opportunity himself to see the draft proceedings before he had to go away to Lake Success. I do not know whether it is proper for me to ask that, but I would ask the indulgence of the committee to that extent.

The CHAIRMAN: Go ahead.

The WITNESS: There are two items of further information which I can now give upon matters discussed this afternoon. One is about the International Joint Commission, the salaries of the commissioners and staff, and the other one has to do with the Commonwealth Economic Committee and the contributions made by the different member countries. As far as the International Joint Commission is concerned, members receive the salary of \$7,500 a year by statute. There is a permanent secretary who receives a salary of \$4,320. There is one stenographer grade 2, who receives an annual salary of \$1,800. There is one junior administrative assistant whose salary is \$2,400 a year.

Mr. GREEN: There are no engineers on the staff at all?

The WITNESS: \$75,000 is made available by this vote. Engineers retained are as a rule I understand government engineers; where they are retained they are retained without cost to the commission itself.

Mr. FLEMING: The whole of the \$75,000 is not available for engineers. That covers salaries as well?

The WITNESS: There is sufficient in that vote to provide for some hiring or some retaining of engineers in addition to the payment of salaries.

Mr. FLEMING: Is there a specific item for the retaining of engineers?

The WITNESS: Not as such.

The CHAIRMAN: Shall the item carry? That is item 69?

The WITNESS: On the Commonwealth Economic Committee, I am informed that contributions to a total amount of £33,000 odd are paid in these amounts by the countries: United Kingdom £11,555, or approximately 35 per cent; Canada, £5,610, or approximately 16 per cent; Australia, £4,600, or approximately 14 per cent; India, £3,960, or approximately 12 per cent; South Africa, £2,640, or approximately 8 per cent; New Zealand, £2,640, or approximately 8 per cent; and Southern Rhodesia, £660, or approximately 2 per cent. It will be noted that if these amounts are added up they will not add precisely to the total amount that I gave to begin with. The reason for that I am informed is that the readjustment for the dropping out of Ireland has not yet been made; and the same applies for the exclusion of Burma and in the inclusion of Pakistan.

The CHAIRMAN: Are there any other questions on item 67?

Mr. FLEMING: Can Mr. Moran tell us in a word anything further as to the reason for the economic committee? Am I correct in my understanding that it acts as a clearing house for information?

The WITNESS: That is what it has been traditionally, Mr. Chairman. The fact is that so far as this government is concerned I think its usefulness is diminishing. There is another committee which for our purposes has largely taken its place. That is called the Commonwealth Liaison Committee, which was originally set up in London for the purpose of keeping Commonwealth governments informed of the progress of events in the organization for European economic co-operation. Many of the tasks which previously had been performed by the old Imperial or Commonwealth Economic Committee are now in fact on a day-to-day basis performed by this new Commonwealth Liaison Committee. One would not doubt from the point of view of this country in any event, that the Common-

wealth Liaison Committee is likely to become a more important body for us than the old Commonwealth Economic Committee which is becoming of less importance.

Mr. GREEN: Are Australia and New Zealand represented on that?

The WITNESS: Yes.

Mr. FLEMING: Are the others who are members of the Commonwealth Economic Committee also represented on the Commonwealth Liaison Committee?

The WITNESS: To the best of my knowledge, they are. I would not be perfectly sure that each member is. The purpose for which this Commonwealth Liaison Committee was set up would suggest, that they are all represented. The purpose of the Commonwealth Liaison Committee was to inform the Commonwealth countries through officers attached to their high commissioners' offices in London of events in the progress of European recovery under the O.E.E.C.

Mr. FLEMING: Would it be correct to infer that the continued usefulness and continued life of the Commonwealth Economic Committee is being reduced?

The WITNESS: Yes, at the moment.

Mr. McCUSKER: Is anything being done to avoid duplication as to activities and staff with respect to these committees?

The WITNESS: That is one of our principal preoccupations. Sometimes a new organization is set up by persons who have not complete knowledge of an old organization. We in the department try very hard to keep trace of these various committees and avoid overlapping and duplication, and to avoid inefficiency both in respect of money and of manpower.

Mr. FRASER: Mr. Chairman, might I ask if we have one man or more on this committee?

The WITNESS: Do you mean on the Commonwealth Economic Committee?

Mr. FRASER: Yes, have we anyone on that committee?

The WITNESS: We are represented through Canada House. It is not always the same person. There is certainly not more than one; only one who would attend at a time.

Mr. FLEMING: The continuing committee is still functioning?

The WITNESS: It is staffed and it makes studies—

The CHAIRMAN: Shall item 67 carry?

Carried.

Mr. FLEMING: Just a moment, ICAO, Mr. Chairman; Mr. Moran was going to give us some information—

The CHAIRMAN: Yes, I am calling Mr. Moran.

The WITNESS: Yes, Mr. Chairman. Mr. Fleming was referring, I think, to cases in which other governments, host governments, made special arrangements for the accommodation and facilities required at headquarters by United Nations or other international organizations. I think Mr. Moran has been able to turn up two or three examples of what we were discussing.

Mr. MORAN: The first is a proposal from the Swiss, and the information that we have here was supplied last April through the director general of the World Health Organization; at that time the Swiss proposed on behalf of the World Health Organization which had decided that its permanent headquarters would be in Geneva to provide an interest-free loan to run for 30 years in the amount of 4,750,000 Swiss francs a gift of 2,000,000 Swiss francs, and it gave a further gift of 3,000,000 Swiss francs if the World Health Organization could obtain the balance of the funds necessary to carry out, or to meet some of its administrative expenses from other sources.

Mr. GREEN: How much is that in dollars? What is a Swiss franc worth?

Mr. FOURNIER: A quarter.

Mr. MORAN: That makes a total of 5,000,000 Swiss francs, which would be a million and a quarter dollars. The first one is an interest-free loan of 4 $\frac{3}{4}$  million Swiss francs—

Mr. FLEMING: That would be about a million dollars. Can you tell us as to whether that proposal was adopted?

Mr. MORAN: No, but it was a proposal which the Swiss initiated so it is now a matter of acceptance by the World Health Organization.

Mr. FOURNIER: When was the proposal made?

Mr. MORAN: This information came to us in April—I am wrong in referring to it as being a proposal, it was an offer, the offer of the Swiss government, made some time prior to the 16th of March.

Mr. FOURNIER: Of this year?

Mr. MORAN: Of this year. Now, here is another which would indicate that on behalf of the United Nations Organization the government of the United States was making an interest-free loan of \$65,000,000, and that New York City is spending \$22,000,000 in connection with the development of the site on which the building is to be erected. That should be "the buildings are being erected". The President of the United States, this year, in his budget message, requested a \$7,000,000 loan to enable FAO to erect a new building. UNESCO was given financial assistance by the French government through providing them with a building at a value in U.S. dollars of \$748,055 which was a very small percentage of its actual market value. The Danish government has made an offer to FAO, as that country is interested in having FAO locate its permanent headquarters there, of a suitable building and grounds, free of charge, and additional assistance in financing another office block to supplement the building that the Danish government will supply them free of charge.

Mr. GREEN: Did they get the headquarters?

Mr. MORAN: No, there has been no decision reached yet. From what I have read it is a matter of both the United States and the Danish government making offers to the Food and Agricultural Organization to make their countries attractive.

Mr. GREEN: They are bidding for the location?

Mr. MORAN: Yes.

Mr. GREEN: The United States is offering a loan.

Mr. MORAN: That is right, an interest-free loan plus other assistance.

I could go on in a similar vein but these give some idea of the type of thing that is being done.

Mr. FLEMING: That gives us an indication of what is going on.

Mr. GREEN: I do not think that Canada should necessarily follow that course again. The United States is not making grants, she is making loans. It seems to me that Canada could have made a loan in this case but, instead we are giving away or subsidizing them to the extent of \$1,200,000 or more in order to get this agency here. There is no suggestion that it would not have come here anyway. I doubt very much whether the Canadian people should be called upon to make gifts of that kind.

Mr. CROLL: An interest free loan is a matter of subsidizing.

Mr. GREEN: Who pays the interest?

Mr. CROLL: We are subsidizing them and we admit it.

Mr. FRASER: May I ask Mr. Heeney what funds are available to pay back these interest free loans? What is the setup which allows these loans to be paid back?

The WITNESS: I presume that is an arrangement in the United States budget which would have the authorization of Congress.



Mr. FRASER: We are the people who are making the loan to the organization and what I want to know is how the organization pays the loan back?

Mr. HARRIS: By assessments.

The WITNESS: Through the United Nations' budget.

Mr. FRASER: Yes.

The WITNESS: It would be provided out of the United Nations' budget.

Mr. FRASER: Not in this case.

The WITNESS: In the case of ICAO?

Mr. FRASER: Yes.

The WITNESS: There is no interest free loan to ICAO. There is no repayment involved. This is a straight subsidy on rental by the Canadian government.

Mr. FRASER: In the United States they are making the loan?

The WITNESS: They are making a loan to the United Nations and the United Nations budget has to provide for repayment over twenty years.

Mr. GREEN: Have we made any other gifts of this kind, Mr. Heeney?

The WITNESS: Not that I am aware of. This is the only United Nations specialized agency which has a headquarters in Canada.

Mr. FLEMING: What was done when ILO was located temporarily in Canada?

The WITNESS: We tried to ascertain if there was any particular arrangement made for them but we were unable to find out in the time available. I know of no particular element of subsidy there. We were most anxious to help them in any way we could and I believe they occupied at one time buildings owned by the University of Montreal.

Mr. FLEMING: That was a rather different matter. They came here during war but in the case of these other new international organizations apparently some nations are bidding for the various headquarters.

The WITNESS: Yes, there is quite a bit of competition to get the headquarters of certain organizations in certain countries.

Mr. BAKER: If a new building is completed at Lake Success will some of these agencies revert back to that building or will they be continued in those different countries?

The WITNESS: As far as ICAO is concerned there is no intention of moving it to New York. I do not know of any specialized agency being included in the New York site. The only provision contemplated on the east river site is for the United Nations itself, the parent unit.

The CHAIRMAN: That completes items 64, 65, 67 and 68.

Mr. McCUSKER: Have we finished with 64?

The CHAIRMAN: There was some information given on UNESCO.

Mr. FLEMING: We left UNESCO and WHO open.

The WITNESS: I have a statement to make on UNESCO as an introduction to any questions. Members of the committee might wish me to make a statement concerning the general aims and activities of UNESCO or would they prefer to ask specific questions?

Mr. CROLL: It would probably be better to make a statement.

The WITNESS: May I do so?

The CHAIRMAN: Yes.

The WITNESS: The United Nations educational, scientific and cultural organization seeks to mobilize not only the energy and activity of governments, but, more especially, that of voluntary associations—national and international—and individual. In a sense, it seeks to do on an international scale and with much broader objectives the sort of thing that was undertaken by our department of

national war services during the war. In its first two and a half years of effective operation UNESCO has been concerned in the first place with the educational, scientific and cultural reconstruction of war devastated countries. The Canadian council for reconstruction through UNESCO, has made a notable contribution to the work of UNESCO in this important field.

Simultaneously, UNESCO has been giving attention to the development of education, science, and culture in under developed areas and has set in motion some long term projects in line with its basic objectives.

Our view in the department has been that UNESCO has tended to dissipate its energies and resources on too many projects. That has been the attitude which the delegates of Canada have taken in the two meetings of the council. This view seems to be gaining fairly wide acceptance and we anticipate a gradual improvement in this regard.

I should add a footnote there. We have, in the department, been concerned with the operational efficiency of this organization. It is our impression, however, that the objectives and policies and programs of the organization are coming into sharper focus now than they have done in the earlier more enthusiastic but less definite days.

Some typical UNESCO projects are as follows:

In education, fellowships have been granted to enable scholars and experts of war devastated countries to study latest developments in their fields in more fortunate countries—some sixty odd will come to Canada—some are already here. Seminars for teachers have been held. A seminar on the teaching of geography will be held in Canada next year.

In the natural sciences UNESCO has made grants-in-aid to various international scientific organizations and has given them practical assistance in various ways.

The foregoing are merely examples of the great variety of projects undertaken by UNESCO.

As I mentioned this afternoon in an answer which I gave, the royal commission on National Development in the Arts, Letters, and Sciences—the Massey commission—has in its terms of reference a direction to examine and make recommendations upon “methods by which the relations of Canada with the United Nations educational scientific and cultural organization and with other organizations operating in this field should be conducted”.

Meanwhile, various Canadian educational, scientific and cultural organizations are co-operating with the government in carrying out the program of UNESCO in this country.

The Department of External Affairs has, pending action which may be taken as a result of any finding of the Massey commission, been a kind of clearing house for information between the organization itself, the provincial departments of education and the various national organizations which are operating in this field like the Teacher's Federation, the Canadian Education Association, and the Canadian Arts Council and certain other national organizations.

So far as the Canadian contribution to UNESCO is concerned, the 1949 budget is \$7,780,000. An additional \$200,000 is to be obtained from member states to bring the so-called revolving fund to a total of \$3,000,000. Canada's contribution has been set at 3·81 per cent of the whole amount.

I understand that the supplementary, which I might mention, of \$7,100 is a result of exchange alteration or devaluation of the Canadian dollar.

Mr. McCUSKER: Where does WHO work in with UNESCO?

The WITNESS: There is no direct relationship between WHO and UNESCO so far as I am aware. There is contact between all U.N. specialized agencies

and efforts are made to prevent overlapping where terms of reference might seem to give opportunity for duplication of service or activity. I do not know of any special liaison arrangements between WHO and UNESCO.

Mr. McCUSKER: Do we contribute to WHO?

The WITNESS: Yes.

Mr. FLEMING: That is the next item.

The WITNESS: Yes.

*By Mr. Fleming:*

Q. May I ask Mr. Heeney if there are any direct benefits that Canada has derived from UNESCO or are we to regard them as in the nature of a contribution to the assistance of less fortunate countries?—A. I should think on the whole the latter is true. It is hard to estimate the intangible values one may obtain in return for work of this character. There are of course such things as may be brought into a Canadian community by those who come to this country to study and to pursue particular objects. But I would say that there are no immediate material benefits to Canada. The object of the organization, certainly in its early years, has of course been to assist those who have suffered either as a result of war or because of under development generally.

*By Mr. Graydon:*

Q. The members of the United Nations, including some of the leading ones, did not become members of UNESCO. Are they deriving any direct benefit from the operation of UNESCO, such as the USSR, for example?—A. It is hard to see how they derive much direct benefit from the operations of UNESCO, but I think it would be hard to say they derive no indirect benefit from the raising of the moral and educational tone of the world as a whole.

Q. Some of the expenditures are being made, I gather?—A. We do not know of any in which—you may have something particularly in mind—but we do not know of any cases where the non-member countries you have in mind have benefited.

Q. Having regard to the fact that this is largely an investment by member nations in improving the educational and other standards throughout the world on behalf of less fortunate countries, I wonder how many United Nations who deliberately stay out of UNESCO are deriving as much benefit as do the less fortunate countries?—A. I think the short answer is none. There is no way we know of by which they can benefit without carrying their share of the load.

*By Mr. Graydon:*

Q. You said there was some objection raised by Canadian delegates to these organizations: perhaps a spreading out too thinly and going into too many fields of activity. What would the delegations have in mind with respect to that? Do you know?—A. What we felt in general, Mr. Chairman, in the earlier meetings was that some of the projects had not been thought through sufficiently clearly. We thought they were somewhat inflated and I think that our view, or rather the view of the government was that one should proceed pretty carefully in such matters rather than to budget for large amounts when the material results of such investment were not reasonably evident. Our delegations have taken that view on the last two or three occasions when the council has met and with some measure of success, I think.

Q. I should think there would be a good deal of opinion in favour of that position. It should be realized that we attend nearly one hundred conferences or meetings of world organizations, each one of which is pretty largely doing something quite different from the other. We think that for a nation like ours,



or for any nation, it means that possibly we are becoming in world affairs, as we have become so often in local affairs, so organized that we cannot put our best efforts on some of the major things that ought to be taken care of. It may result in becoming over-organized in world affairs just as we become over-organized in local affairs. I suppose it is a question of separating the wheat from the chaff, in world affairs on which the government of a country should place its greatest emphasis. But I can clearly see that we are into the thing in such a broad and comprehensive way now that it must be difficult for a delegation or for this country to give intensive study to some of the major subjects which really amount to something because we are spread so thinly over so many organizations.

When you look over the United Nations picture and see the chart of all the things that the United Nations is trying to do, you wonder how in the world very intensive work can be done in any single one of them, work which is going to be as effective as we would like to have. That is no argument against the fact that all these things are important, but there is a difficulty which arises from the very nature of the organization and the setup itself—A. What Mr. Graydon has said, I am sure, expresses the view of the people in the department very accurately. One of the most difficult things for a comparatively small country to determine with respect to international organizations is the priority which should be given not only year by year but even from day to day in the amount of energy and ability that can be called upon.

This is a continuing problem for a department with limited resources. I would not want my remarks about UNESCO to be taken as a reflection in any way upon the motives or the capacity of many of those persons who have been responsible for the development of organization, because I would not like the committee to feel that we in the department have not a high regard for those motives as well as for many of those who are engaged in this very great and very good work. At the same time we are conscious of our own limitations and the limitations of our resources of personnel. Again one gets back to this matter of priority of effort.

Q. I do not think anyone would want to single out UNESCO for any observations like that anymore than a general picture; but it does give one an opportunity to draw attention to that general picture. It must be a very great problem with a department which is operating on a comparatively small scale as compared to the United States, for instance, or as compared to the United Kingdom, or some of the larger countries.

Mr. Mutch: I wonder if some of the unhappiness about these things does not rise from a rather ill-defined area between what is helpful and what is just well-intentioned meddling?

The Chairman: Of course, in a matter of this kind or with respect to any of these agreements, we cannot think only in terms of material benefit, but rather in terms of the work that is to be accomplished by those organizations for the welfare of all nations.

*By Mr. Fournier:*

Q. Do the nations which contribute to the funds of UNESCO receive a financial report every year as to how the money was spent or distributed?—A. Yes, a full financial report.

Q. And what is the total amount of the budget of UNESCO?—A. I gave that figure a moment ago. It is \$7,780,000, together with an additional amount which is to be added to this so-called revolving capital fund.

Q. I wonder if it would be possible to know how much of that \$7,780,000 goes for salaries?—A. We have not got that figure here, I am afraid. The administrative budget of UNESCO will give the committee some idea with

respect to the operations and expenditures. I can fill that figure in for you before the committee adjourns tonight. It gives the proportion of overhead to the investment, as it were.

Q. Very well.—A. I would like to add something if I might to what I said to Mr. Graydon. There are a number of organizations in this country as well as a number of individuals, many of them, in fact all of them engaged in work of national importance, who attach great importance to the work of UNESCO. And there are other organizations, some of which derive benefits by way of information and opportunities for scholarships and fellowships.

*By Mr. Croll:*

Q. Would you be good enough to name a few people for us?—A. Canadian Educational Association. Canadian Arts Council. Canadian Teachers' Federation. Canadian Council of Professional Engineers and Scientists; and the U.N. Association itself.

Q. And could you give us the names of some of the people who are outstanding Canadians who recommend UNESCO?—A. People who are interested in this work? I think they would be, for the most part, the officers of these organizations to which I referred. They devote their energies to those organizations and their interest derives not so much as individuals as ex officio.

*By Mr. Mutch:*

Q. And would there be in that group anybody who would benefit?—A. As an individual?

Q. Yes, but not as groups.

*By Mr. Croll:*

Q. Have we impressed upon you that we are unhappy about UNESCO, or have you not got it yet?

*By Mr. Benidickson:*

Q. We are very much in harmony with what the Under-Secretary himself has said, that he wants some material signs of progress?—A. I have the feeling that you share our unhappiness.

*By Mr. Graydon:*

Q. We should not go to the point where we would be in any way interpreted as not believing that UNESCO has a very important place to fill. It is only a question of the method and the best way to employ the resources we have in filling it. That sums up the matter, does it not?—A. Yes.

*By Mr. Dickey:*

Q. Might Mr. Heeney tell us what happened to the Canadian Council for Reconstruction under UNESCO?—A. That organization is still in existence. They have been engaged in a number of endeavours, worthy endeavours, under the UNESCO programme. My mind turns, for example, to the collection and provision of books for war-devastated countries; to the operation of the scholarships which are provided by UNESCO funds; and to the assistance in the appeal which was made to the public a year ago. I think also of the Canadian end of arrangements for assisting people in the creative arts from countries where opportunity has not existed since the end of the war. I am reminded of the provision of certain scientific equipment from this continent to universities and institutions which had been deprived of such equipment as the result of war damage or other causes in recent years.

Q. And that council provided, I think, a rather large number of boxes of supplies for schools?—A. Yes, school kits, they called them; that is correct.

Q. Did they contain any Canadian material?—A. Yes, a good deal of Canadian material.

Q. Where were they distributed?—A. In European countries.

Q. What sort of organization do they have at the present time? Have we any information about that?—A. Yes, we know their officers and their board or council. They are in touch with the department which, as I have said, is a kind of clearing-house temporarily, at any rate, for UNESCO matters in Canada.

Q. Is there any direct government connection or financial responsibility in the operation of that work?—A. No.

Q. How it is paid for?—A. It is paid for from the proceeds of the campaign which they conducted some time ago, and to which I think the government contributed.

Q. Do they draw any funds from UNESCO?—A. No, they operate from funds which they collected by subscription.

Mr. PICARD: Would it be quite right to let a sentence of Mr. Croll go unchallenged? I understood him to say that the whole committee feels unhappy about UNESCO. I want to say that I do not feel unhappy about it at all. I have read a lot about it and I think the importance of what is being done is considerable. I think our share is not so much when we consider what we have spent in Canada without getting as great a result as might come from UNESCO, once it settles down to more definite lines.

Mr. FLEMING: I think some progress could be made if members of the House, or at least members of this committee, preferably all members of the House were furnished with copies of the annual report of all these organizations that are related to the United Nations. It is true that as members we receive the odd report, but it seems to me it would be highly desirable that the members who are responsible for voting large sums of money to the support of these organizations should receive copies of the annual reports.

The WITNESS: We would be very glad to see that copies of material which is available—and there is a good deal of it on UNESCO and WHO and other organizations—is distributed to members of the committee.

The CHAIRMAN: If it is not too expensive I would rather see it distributed to members of parliament and the senators because they have a committee on External Affairs too.

*By Mr. Graydon:*

Q. May I ask Mr. Heeney one more question in regard to UNESCO. I think Mr. Fleming has said there ought to be some more detailed information furnished about these various specialized agencies because they do quite a bit of work and cover a very wide field and they are very apt to be forgotten in the general picture of this organization unless some report is made and I was going to ask you Mr. Heeney if among the other nations that are members of UNESCO is there a UNESCO commission in each of these countries?—A. There are in some countries Mr. Chairman, commissions, national commissions, so-called, established as the co-operating liaison agent for the nation in question. The constitution of UNESCO did recommend to member countries that each member state should have such a national commission and that has been proposed. The UNESCO constitution reads this way:

“ . . . each member state shall make such arrangements as suit its particular condition for the purpose of associating its principal bodies



interested in educational, scientific and cultural matters with the work of the Organization, preferably by the formation of a National Commission broadly representative of the government and such bodies”.

Q. Mr. Chairman, what page is that?—A. That is in *Canada and the United Nations*, 1948 on page 143. It is part of the section on UNESCO in that publication of the department.

*By Mr. Graydon:*

Q. What efforts have been made in Canada towards the formation of a national commission?—A. Well, the question of a national commission or other organization to meet the terms of that provision is one of the questions before the Massey Commission at the present time.

Q. I am thinking of the period from the time UNESCO was formed until the Massey Commission was set up.

Mr. HARRIS: My recollection is it was brought up in the house several times.

Mr. FLEMING: It was brought up every year.

The WITNESS: In the interim the department has been doing what it could to have contacts with the provincial departments of education and national organizations to which I have made reference co-operatively and without any organizational framework.

*By Mr. Graydon:*

Q. I take it there must have been some obstacles in the way of its formation?—A. There have been differences of opinion how this can best be done.

The CHAIRMAN: Shall the item carry?

Carried.

Item 65, World Health Organization?

*By Mr. Fleming:*

Q. I think Mr. Heeney was going to give some information to us about that portion of the budget, Mr. Chairman.

The WITNESS: I might begin by making a brief explanatory statement on the World Health Organization.

This organization is the result of a resolution passed by the Economic and Social Council in 1946 as members will know its purpose broadly, and I am quoting here “the attainment by all peoples of the highest possible level of health”.

WHO has established eleven Expert Committees specializing in various phases of technical, medical and public health work. Particular attention has been paid to biological standardization, to malaria, yellow fever, tuberculosis and venereal diseases; and it will be recalled that the world's scientific resources were successfully mobilized by WHO in the autumn of 1947 to combat the outbreak of cholera in Egypt. The WHO has also nominated 200 candidates from 9 countries and placed them for special medical studies in various of the world's great centres of scientific research. Most of these candidates come from war-devastated areas. The WHO is one of the most successful and least controversial of the United Nations Specialized Agencies. On the question of the Canadian contribution members of the committee will possibly be puzzled by the figures which appear in the breakdown which was distributed at an earlier meeting. In the main estimates we are asking for \$108,000 as compared to an expenditure of \$199,000 last year and in the supplementaries we are asking for \$256,391. The explanation of that is this. The World Health Organization Budget for 1949 was set at \$5,000,000 U.S. of which Canada's assessment was approximately \$158,000. The surplus of \$50,000 remaining over from a vote in the previous year was applied towards the 1949 contribution and was paid in Swiss francs. The remaining

\$108,000 has been provided for in the 1949-50 estimates of the Department of External Affairs. It is this item 65 which the committee is now discussing and is to be paid on the first of January 1950. The W.H.O. budget for 1950 has been set at \$7,000,000 U.S. of which Canada's assessment is \$221,491 U.S. As Canada's contribution is due on January 1, 1950, it is the department's desire to include this amount in the supplementary estimates for 1949-50. The government is asking for the 1950 contribution payable on the first of January of \$221,491 plus a loss on exchange of \$23,500 and on the 1949 contribution we are asking for the remainder which will be due, namely, \$11,400, making up a total asked for in the supplementaries of \$256,391.

I am anticipating a discussion on the supplementary estimates, Mr. Chairman, because I thought it would be easier if the committee were to see the supplementary and main estimates pictured together because of these rather confusing figures.

*By Mr. Fleming:*

Q. That means in effect we are paying almost two full years' membership dues now?—A. Yes.

Q. Less \$50,000?—A. Yes that is right.

Q. Last year we paid in round figures \$200,000. How was that arrived at?—A. There was a carryover in that. I think Mr. Hemsley, perhaps you could take up the explanation of that.

Mr. HEMSLEY: I think this is explained in the typed sheet we gave you.

The WITNESS: There was an explanation there that I really supplemented.

Mr. MORAN: It is on page 3.

Mr. HEMSLEY: When we put the estimate in we didn't know exactly what the assessment was going to be; so we put in \$200,000. After Canada's actual contribution was paid for that year—approximately \$150,000—the surplus of \$50,000 remained. This was used to pay \$50,000 towards the next year's contribution, so that we could at least pay that amount of \$50,000 when our full contribution was due, on January 1, 1948.

*By Mr. Benidickson:*

Q. Is that an orthodox practice to take it out of one year to pay for an additional period of time?—A. Yes, with the permission of the treasury board. If parliament is told we are committing ourselves for a certain period of time and grants a certain amount of money and that money is more than you need it is not proper practice to take the money and commit us for a membership for an additional period of time.

Mr. FLEMING: I understand that could not be done without an additional vote. If the time lapses it could not be used unless actually revoted by parliament.

The WITNESS: It must be used within the fiscal year or within thirty days after the end of the fiscal year. This is not a matter of it being paid after the vote has lapsed. That of course could not be done and it would be illegal. This was paid within the fiscal year for which it was voted.

The CHAIRMAN: Shall the item carry?

Carried.

*By Mr. McCusker:*

Q. I was going to ask about the overlapping of different health organizations. I understood you to say that this health organization looked after all the technical details in connection with public health. Do representatives of health organizations meet at Geneva to discuss these problems?—A. Yes.

Q. For example, the secretary of that organization is Brock Chisholm? —A. Yes, he is the Secretary-General. Dr. Chisholm is not a representative from Canada at all.

Q. No I know but we send people do we?—A. Yes to the governing body.

Mr. HARRIS: I think, Mr. Chairman, the under-secretary might send these reports on the World Health Organization to Dr. McCusker.

The WITNESS: I would be very glad to do that.

The CHAIRMAN: Shall the item carry?

Mr. FRASER: Mr. Chairman, there is one question.

*By Mr. Fraser:*

Q. Does this World Health Organization work with the Red Cross Organization?—A. I would expect it would co-operate.

Q. That it would be doing some of the work the Red Cross has been doing in the past?—A. I do not think so. No.

Q. I understood it to.—A. I would not think they did at all.

Q. Does the Red Cross Organization represent the London organization on this?

Mr. FOURNIER: That is not the same thing at all.

The WITNESS: The assistant to the minister gave that information.

(Discussion continued off the record)

Mr. GRAYDON: I think perhaps Dr. McCusker is right, that there must be some duplication in many of them, many of these organizations similar to the World Health Organization, in the activities which they are carrying on throughout the world; but I think that we have to make this distinction, that an organization of this kind, many of these organizations in fact, are specialized agencies under the aegis of United Nations Organization itself, and many of those organizations are strictly speaking governmental bodies. They are not bodies that have representatives from the professions or from particular sections, they are all government or inter-governmental organizations representing the nations which are members of the United Nations. That is the way in which membership on these organizations is made up. I know that in New York when the World Health Organization was being set up there was a great feeling amongst many of the nations that perhaps in matters of health they could get co-operation on a world level which perhaps was not possible by any other single agency of the United Nations. They got good co-operation there I think from the Soviet Union and from its satellistic states and from any other nation which belonged to the organization of the United Nations; and I know it was felt that they could work out a co-operative international scheme through an organization of that kind which perhaps no other agency could do. I believe the feeling was that they could get better co-operation through an organization of that kind than has as yet been possible through any of these business or professional organizations which have matters of that kind; I feel that those ideals have come to as fine a fruition in the World Health Organization as those who dreamed of it thought it would. But, in any event, it did provide a basis for co-operation, and I think it has been one example, perhaps the most outstanding example we have yet had, of what all the nations associated with the United Nations thought could be accomplished in the field of international co-operation. I think for that reason it must be admitted, at least in its initial stages, to be somewhat of a success.

The CHAIRMAN: Shall the item carry?

Carried.



The CHAIRMAN: The next item is 70:

Mr. FLEMING: Is there a statement on the International Refugee Organization?

The WITNESS: I might make one, if that is desirable. The International Refugee Organization had its origin in a resolution of the General Assembly of the United Nations in December of 1946, and as a result of the ratifying of the constitution by the required number of states the I.R.O. became a specialized agency of the United Nations in August of 1948, and the first meeting of the general council was held in September of 1948. Canada ratified the I.R.O. constitution on July 31st, 1947. The purpose of I.R.O. is to maintain and settle abroad as rapidly as possible some 800,000 refugees most of whom were in refugee camps in Germany and Austria. Since July of 1947 when this organization began its work, something under 300,000 refugees have been resettled; some in their countries of origin and some elsewhere, in Europe and others abroad. The organization is taking measures to empty the refugee camps and to establish these refugees either in Europe or in the western world. This process, however, depends upon the willingness of the receiving country to open their doors to immigration on a generous scale. Because of the scarcity of shipping and the general reluctance of receiving countries to take family groups of whose members only one or two are wage earners it seems to the department unlikely that the refugee problem—in fact almost certain—will not be resolved by the time the mandate of I.R.O. expires, on June 30th of this year. The vote from July 1st, 1948 to July 1st, 1949 was \$155,075,770, of which sum it is proposed to spend \$54,000,000 on care and maintenance and approximately \$68,000,000 on resettlement of refugees abroad. The vote consists of some \$4,500,000 for administrative expenses and \$150,060,500 for other expenses. Expressed in terms of United States dollars Canada's part of the budget is, at 3·2 per cent of the administrative budget, \$144,000; and operational expenses at a percentage of 3·5, \$5,252,177; or a total Canadian contribution of \$5,423,157·89,—vote No. 906. I am talking about the past year. I think perhaps I had better leave the rest for any questions which might be asked.

The CHAIRMAN: Are there any questions at this time?

*By Mr. Fraser:*

Q. How many have come into Canada? Have you any idea as to that?—

A. Yes, Mr. Chairman, I can give the figures on that from information which was obtained from the I.R.O. and which will be included in a return which will be tabled in the House, I think within the next few days. There are two ways in which these refugees can come in; one under the so-called workers' scheme, and the other under the close-relative scheme. Under the workers' scheme there have been 39,922 labourers entered and dependents of those labourers, or workers number 5,883. Under the close-relative scheme 3,294 have entered.

Q. How does that compare with the United States?—A. I should say, very favourably.

Mr. CROLL: That is a very mild statement, an extraordinarily mild statement; they have taken hardly any into the United States.

Mr. FLEMING: That total is 49,000?

The WITNESS: Yes, approximately that.

Mr. MACINNIS: How many are left in the refugee camps?

The WITNESS: I haven't a very recent figure.

Mr. MACINNIS: Would it be 130,000?

The WITNESS: I will try to get that. The so-called hard core is exceedingly difficult to liquidate, if I may say that. I would not hazard a figure. I think I had better leave that blank so that I can return to it a little later on.

Mr. FLEMING: It is a fact, is it not, that this scheme does not operate for the benefit of German nationals. I think there are something like 10,000,000 German nationals in that portion of prewar Germany that has now been occupied by Poland and claimed as Poland, that is now Polish territory, who were pushed west. About 10,000,000 of them, as I understand it, came into the occupied zones of western Germany and they did not get any benefit at all from the International Relief Organization, the whole burden of that huge refugee movement has been passed on to the German nationals in the western occupied zone and the western occupying powers.

The WITNESS: That, I think, to some extent has had its effect on their economy.

Mr. WINKLER: Mr. Chairman, Mr. Heeney referred to the hard core; I wonder if he would mind explaining what he means by the use of that term, "hard core"?

The WITNESS: The refugees who were most mobile were obviously those who were capable of easiest resettlement. Because of their age and skills they were easier to assimilate into the countries to which they wished to go. The hard core is in a different category,—either because they are very old or too old to move readily to a new environment and take on a new life, or because of disease, physical incapacity of one kind or another, or indeed mental incapacity—people in institutions. Those numbers are very considerable and the reasons they are called the "hard core" are of the nature I have indicated.

*By Mr. Fleming:*

Q. I wish we could get some idea of the figures or numbers of refugees still under the care of IRO. I think that two years ago we had quite an extensive review of the problem in this committee. Now, we are being asked this year to vote even more money for IRO than we did last year. That does not suggest any great progress has been made with the refugees. I think we should have some further information.—A. I think the progress has tended to become slower all the time but the information we have from the organization's local representatives and from Geneva is that progress is being made. They are worried, of course, about the future and particularly about this hard core problem which is a very difficult and stubborn problem to meet.

At the moment they are sending out emissaries from Geneva to all the western countries to see if they are prepared to take a larger number of refugees at lower standards than previously.

Q. Some of the members of the committee may have a better memory for the figures than I but it is in my mind that there were about 9,000,000 of these people when we considered the problem two years ago.

The CHAIRMAN: No, no, 800,000.

Mr. FLEMING: I am sorry. Have we not got any figures on that point?

Mr. CROLL: My recollection is that from a top of 800,000 we are down to 300,000. That is the figure I recall from last year.

The WITNESS: We have the figures as of the end of January of this year. This is of interest. When the appropriate committee of IRO began operation it assumed responsibility for about 704,000 persons in D.P. camps—I said 800,000 a moment ago. Between July 1st, 1947 and June 1st, 1949 375,000 refugees have been repatriated or resettled but the number receiving care has decreased by only 150,000. That is partly because not all of those resettled or repatriated came from IRO camps and partly because additional people have applied for assistance. The United States Congress recently passed a law authorizing the admission of 200,000 displaced persons. Australia has announced a willingness to take up to 200,000. Under orders presently in force it is estimated

that a total of 100,000 under IRO will qualify for admission to Canada. Up to December 31st, 1948, 54,733 had already entered the country.

*By Mr. Fleming:*

Q. Are we voting \$5,425,000 for the period ending June 30th next?—A. Yes, that is correct.

Q. Then, what is the date of commencement of the period for which we vote the \$5,425,000? Is it a year?

Mr. HEMSLEY: Yes, it is a year but I am wondering if it is not to June of this year. Yes, it is from July 1948 to July 1st, 1949.

*By Mr. Fleming:*

Q. So there is another year's assessment waiting for us?—A. Up to June 1950, when the present charter expires.

Q. Is there any renewal of the life of IRO under contemplation? Has anything been done about that?—A. That is a matter which is under consideration.

Mr. MUTCH: There are two questions I would like to ask with respect to the hard core. Is there any considerable percentage of that so called hard core comprised of people who have been rejected for security reasons? Would anybody have any idea what the percentage is?

The WITNESS: I do not know whether a figure can be given.

Mr. CROLL: It is not possible.

The WITNESS: You mean rejected by the Canadian immigration authorities?

*By Mr. Mutch:*

Q. Yes, for that reason either by us or by someone else?—A. The organization itself would be the only source of information of that character. The Canadian government would not have the figure.

Q. What happens to those persons who have been rejected? Do they continue to stay in the camps?—A. They go back to the refugee camps.

Mr. CROLL: They leave the refugee camps as soon as there is no hope of going any place and they finally wind up somewhere in the economy of the country.

Mr. MUTCH: I want to know whether they do as you say. We have been told that, but it has also been said that they stay in the camp and wait?

The WITNESS: An attempt is made to rehabilitate them in the country—

Mr. MUTCH: To which they are politically sympathetic?

Mr. CROLL: No. They try to take them back to the country of origin but usually they will not go and they simply find their way into the economy generally.

Mr. BENEDICKSON: Is it still the practice of IRO to pay the transportation for its wards to the Canadian port?

The WITNESS: Yes, all costs to the Canadian port.

The CHAIRMAN: By the Immigration Department?

The WITNESS: By the organization itself.

*By Mr. Fournier:*

Q. How many have we received in Canada?—A. The latest figure we have here is 54,000.

Q. Have we any commitments so far as admission of a certain proportion is concerned?—A. No, except in the sense that we are members of the organization and are participants in the endeavour.



Q. There is no number set?—A. No.

The CHAIRMAN: Shall the item carry?

Carried.

We will now take up the supplementary estimates, page 2, item 766.  
Shall the item carry?

Carried.

Item 767?

Carried.

Item 768?

Carried.

Item 769?

Carried.

Item 770?

Carried.

Item 771?

Carried.

Item 772?

Carried.

Item 773?

Carried.

Item 774?

Mr. FLEMING: Could we have an explanation of this item?

Mr. GREEN: Is 774 the operating expense of the international civil aviation organization?

Mr. HARRIS: That is our contribution to ICAO.

The CHAIRMAN: That was discussed?

The WITNESS: We did not make any reference to that. The budget of the organization for 1950 amounts to \$2,937,607 of which \$2,610,607 is to be financed by assessments, the difference being financed from casual revenue estimated at \$127,000, and from appropriation from the working capital fund of \$200,000 applied in aid of the budget. The contribution of the Canadian government, based on 15 units out of a total of 312½ units, amounts to \$125,509 for 1950. The amount of \$125,509 is submitted as a 1950 supplementary to cover this contribution. Since contributions are due as of the 1st of January 1950 it was felt that parliament should be asked to vote the amount so that the Canadian government will be in a position to pay its contribution when it becomes due plus the loss of exchange through devaluation.

Mr. GREEN: Can you say how much of the budget of ICAO is for ordinary administration expenses and how much is for building airports?

Mr. MORAN: We have to get that from the ICAO budget itself which is not available here tonight.

Mr. GREEN: Can you give us any idea of whether a large or small proportion of the money spent each year goes towards purchasing airports?

The WITNESS: The major portion is for administration. I am advised, Mr. Chairman, that it is practically all administrative cost.

Mr. GREEN: Have they very many airports?

The WITNESS: None at all.

Mr. GREEN: We were told this afternoon that they did have airports.

Mr. MORAN: No, I think this afternoon's discussion, Mr. Green, related to the navigational facilities which are established and not to airports.

The CHAIRMAN: Shall the item carry?

Carried.

Item 775?

Mr. FLEMING: Can we have an explanation of that one?

The WITNESS: The contracting parties at the second session adopted the following arrangement for the period August 16, 1948 to December 31, 1949. The total budget for this period amounted to \$76,000 and for the purpose of division of expense the contracting parties were classified according to six categories depending on their share of the total external trade. Canada was placed in category C and is required to pay \$5,500. The percentage of external trade for individual countries is based on the average 1938 to 1946 figures for each country. Payments of this contribution which falls due on July 31, 1949 is to be made in U.S. dollars or Swiss francs at the option of the contracting party. The contracting parties at the third session adopted a budget of \$302,139.02 for 1950. It was concluded that the best practical method of assessment would be to assess the contributions on the basis of the volume of the foreign trade of the contracting parties. As was the case for 1949 the scale of percentage of external trade for the individual countries was based on the average of the 1938 to 1946 figures for each country. Canada was placed in this category her share being over 5 per cent but under 7 per cent, and is required to contribute \$13,252. U.S. funds, for the period January 1, 1950 to December 31, 1950. It is that sum, the \$13,252 plus \$5,500 for the previous period that makes up the amount now requested.

Mr. FLEMING: Plus the exchange?

The WITNESS: Yes.

The CHAIRMAN: Shall the item carry?

Carried.

Item 776?

Carried.

Item 777?

Carried.

Item 778?

Mr. GREEN: Is this a new item?

The WITNESS: Near east relief. It is in the supplementaries as a new item. This was a contribution made by the Canadian government to the relief of Palestine refugees. It was a contribution in kind, the commodities in question being fish and white beans to the value of \$65,000.

*By Mr. Fleming:*

Q. When were the last of them supplied? I take it they have all been supplied by now.—A. Oh, I think so. They were shipped via eastern Mediterranean ports by Canadian Commercial Corporation. My recollection is that it was authorized by cabinet in the spring, sometime before March, because I was in another place; and they were shipped during the early summer months.

The CHAIRMAN: Shall the item carry?

Item 779 carried.

The WITNESS: The International Children's Emergency Fund. This item is to provide the sum of \$1 million for the cost of dried skim milk powder as a contribution to the International Children's Emergency Fund, and the amount of \$75,000 is to cover the cost of storage and shipment.

*By Mr. Fournier:*

Q. Where is the headquarters of this organization?—A. Let me correct my answer. It is now in the form of a contribution to contribute skim milk, dried and shipped.

*By Mr. Bater:*

Q. Has this anything to do with the United Nations or is it a separate matter?—A. Oh yes, it is under the auspices of the United Nations. I wonder if the committee would like to have a brief statement about it.

The International Children's Emergency Fund was established by a resolution of the General Assembly on December 11, 1946, primarily to care for the children and adolescents of countries which were victims of aggression. It operates under an Executive Board of twenty-five countries including Canada. The Canadian representative on the Board, Mrs. D. B. Sinclair, Executive Assistant to the Deputy Minister of Welfare, is chairman of the Programme Committee. The Fund's financial resources are provided from direct government grants, from the proceeds of voluntary fund-raising campaigns, and from certain residual assets transferred by UNRRA. Up until January 1, 1949, the Fund had received about \$110,000,000 from all sources. Approximately \$62,000,000 of this represented government donations from twenty-eight countries. The Canadian government contributed once, in 1947, a total of \$5,200,000. The United States government in 1947 authorized a total contribution of \$100,000,000 which was conditional upon grants being received from other governments. Thus for every \$28 contributed by other countries before June 30, 1949, the United States contributes \$72. Up until January 1, 1949, the United States had donated on this matching formula about \$42,000,000. The fund had launched an appeal for further contributions of \$20,000,000, which would release the remainder of the \$100,000,000 originally authorized by Congress.

2. The Fund has programmes at present in operation in thirteen European countries, in the Middle East, and in China and other war-devastated countries of the Orient. The method of operation is briefly as follows: "Protective foods" such as milk, cod liver oil and so on are supplied to governments requesting assistance on the condition that they furnish equivalent amounts of goods locally available. All local costs of administration, including salaries of locally engaged staff, are paid by the recipient governments. As the shortage of foods has eased, the Fund, with the co-operation of the World Health Organization, has engaged in medical relief work. The most important of its projects is the campaign for preventive inoculation against tuberculosis with the serum known as Bacillus-Calmette-Guerin which is being carried out with the assistance of the Danish Red Cross, acting also for the Norwegian and Swedish societies. It is expected that 50,000,000 children will be tested in Europe alone and that 15,000,000 will probably be vaccinated.

3. The Canadian representative on the Executive Board, in company with other members of the Board, made an inspection tour last summer in France, Poland, Czechoslovakia and Italy. In addition, heads of the Fund's missions in all European countries reported fully on the progress of their work. The Canadian representative states that as the result of



their personal tour supplemented by these progress reports, all members of the Board were satisfied that the assistance provided really reached the intended recipients and that all receiving governments, including those of the satellite countries, were giving co-operation. The following are the chief methods by which these results are achieved: (a) Distribution of food is made through school feeding programmes and other community food projects, and food supplied by the Fund is thus consumed on the spot. Supplies are distributed to centres in small quantities and at short intervals. Inspection is frequent and unannounced. Diversion of goods or discrimination in their distribution is thus easily checked; (b) Owing to the "matching principle" on which the Fund works, the recipients do not get help unless they are prepared to co-operate very fully; (c) Heads of missions and key staff members are international civil servants, never nationals of the country in which they are stationed.

The CHAIRMAN: Shall the item carry?

Carried.

Shall item 51 to 70 including all the supplementary estimates carry?

Carried.

Shall items 766 to 779, including all further supplementary estimates which were referred to our committee carry?

Carried.

Now, we have with us this evening Mr. Arthur Menzies, who is head of the American and Far Eastern divisions. Do you think we have done enough work for the night?

Mr. FLEMING: It is 10 o'clock and we have disposed of the estimates. Should we not hear from Mr. Menzies some day next week?

The CHAIRMAN: Here is Mr. Menzies now.

Mr. HARRIS: Before we go on, I think a formal motion is in order on the estimates, so I move that the chairman report back to the House that the estimates which were referred to us have been approved by the committee.

The CHAIRMAN: You have all heard the motion. Does the resolution carry?

Carried.

Mr. HARRIS: I think there is a misprint in the last item. It refers to item 799 rather than to item 779.

The CHAIRMAN: That will be corrected.

Mr. GREEN: Will the Under Secretary be here again? If not, I am sure that the members of the committee will appreciate the way in which he has explained the estimates to the committee and answered the questions which were put to him. I personally feel that he did a splendid job.

The WITNESS: Thank you, sir.

The CHAIRMAN: Now, together with all the members, I thank you, Mr. Heeney, as well as your officials. They were very good in their presentations.

Mr. FLEMING: Will ye no come back agin?

Mr. McCUSKER: I think we should express our thanks to his staff as well.

The WITNESS: Thank you very much, gentlemen. Rather to my surprise we have all enjoyed it.

Mr. McCUSKER: And our thanks as well to Mr. Moran.

The CHAIRMAN: I now call Mr. Arthur Menzies.

Mr. FLEMING: Are you going to start with Mr. Menzies tonight?

The CHAIRMAN: Well, I am entirely in the hands of the members.

Mr. MUTCH: Shall we finish tonight if we hear Mr. Menzies now?

Mr. FLEMING: It has been a long session.

The CHAIRMAN: Mr. Fleming seems to be tired. He is a hard-working young man. But I think we will proceed.

The WITNESS: I was going to suggest if it is agreeable to the members of the committee that the time of the committee might be best employed if Mr. Menzies were to make a short introductory description based upon the information available to the department from our mission in Nanking, and from other sources. He will speak on conditions now existing in China as we know them to be, for ten or fifteen minutes. Then possibly the members of the committee, if it is agreeable, might ask questions which Mr. Menzies would try to answer. I do not know if that is the kind of procedure you want, but Mr. Menzies and I had a word about it and we thought that might be the way you would like to have it.

The CHAIRMAN: I believe it is now in order for Mr. Menzies to make his statement, which will be mostly about the China situation.

**Arthur Menzies, Head of the American and Far Eastern Division  
of the Department of External Affairs called:**

The WITNESS: I regard it as a privilege to be able to say a few words about the situation in China. I hope the members of the committee will bear with me, due to the shortness of the notice given and particularly because of the difficulty which we have at the present time in getting information from our officers in China. I think most of the committee members will know that in the transaction of business between our missions abroad and the home department here in Ottawa, there is a system by which official despatches are sent normally by courier, giving us confidential appreciations of the situation as it develops from week to week or you might say, from bag to bag.

Now it has been impossible for us to receive from China anything in the way of confidential reports since the fall of Nanking in April of this year. However we have been receiving a number of telegraphic reports and from time to time it has been possible to get out unclassified reports by mail and to receive reports by word of mouth from our officials as they return.

Perhaps if I might retreat for a few minutes of the date of April 1949 which was the fall of Nanking. Let us go back about a year from today's date, that is, to October 1948. The first evidence that the National Government was in military difficulty appeared in Manchuria when Mukden and other cities were beginning to fall and it was necessary for the National Government to shorten its lines. Progressively after that in January 1948 the north China cities of Peking and Tientsin which had been held as Nationalist salients fell, and the communists moved further south. From that period we were naturally concerned about the safety and welfare of Canadians in north China. Our ambassador in Nanking in consultation with the British consular authorities on the spot did what he could to assist the Canadians through warnings and through arrangements for transportation to leave the area if they cared to do so.

The movement of the war, as you all know, came to a halt at the Yangtse during the late spring. It leapt the Yangtse in late April and Shanghai fell in May. Then it progressively moved south to Canton which fell in October.

Today the National Government forces are divided up into three main pockets: one which is located in Formosa and Hainan Island to the south; another in the middle south under the Pai Chung-hsi, who has probably the largest and

most efficient army; and a third group in west China in Szechwan province where there are probably a couple of hundred Canadians. There has been almost complete collapse of the government positions in the northwest.

Now, I think the question that we may well ask ourselves in these circumstances is what becomes of the Canadians in the communist territories of China or those territories which are threatened with being overrun by the communist forces. Naturally, each one of the Canadians who saw this lengthening and darkening shadow coming had to weigh for himself what his purposes were in China. I think it is not for a government official to pass a pronouncement of any kind on the objects of Canadians there. Each one had to make his own decision. A great number of missionaries who probably constitute three quarters of the Canadians in China, both Protestant and Roman Catholic missionaries, decided they would stay on; that they had certain long-standing obligations to the people in the territories where they were working which they did not wish to pass up. And they have stayed on to make an effort at least to continue with their work. Whether or not they will be permitted to do so by the new authorities I think they and we will have to see as the months progress. A few Canadian businessmen also remained on in Shanghai, or those who had investments of one kind or another, in the hope that in due course it would be possible to resume trade and normal relations between Canada and China.

I think it would be a natural question to ask what the government is able to do for those people. We maintain an Embassy in Nanking and a Consulate-General in Shanghai. Well, in the first place the communist authorities do not recognize the position of our Embassy in Nanking or the position of any consular officers of powers which have not recognized their so-called Central People's Government of the People's Republic of China, which was set up in Peking on the first of October. We have constantly tried to impress upon the Chinese, whoever the local authorities are, that we feel that our consular officials should be permitted to carry on their functions, their internationally recognized functions, of giving assistance and protection to Canadians there. Their position is not now officially recognized by the local communist authorities, but I feel reasonably confident that having those officials there even in an unrecognized capacity has a certain steadying effect on Canadians there. Our Ambassador has been in communication with all of those Canadians who have kept their addresses up to date with our Embassy and Consulate-General in Shanghai, but I think we should also remember here when going over the numbers of Canadians in China that it is not compulsory for any Canadian abroad anywhere to register. There is no law or anything else that requires a man to register at his consular office except if he wishes to record a birth or something of that kind. In those circumstances we can never be certain, particularly at times when mails are most uncertain, whether we have all of the names of the people who may be in the areas overrun or threatened by the communists. Perhaps that is sufficient as a preliminary statement.

*By Mr. Graydon:*

Q. Might I ask Mr. Menzies one question with which a great many people are concerned. I understand that the West China Union University of the United Church which I understand is at Cheng Tu is recognized by all as doing a wonderful piece of work particularly with respect to their medical school and hospitalization there. I think someone today mentioned there was something like two hundred and fifty Canadians in that general territory. Have you any information, Mr. Menzies, as to the possibilities of their carrying on that work after the communists gain control if they do succeed in gaining control?—A. Well it is certainly a decision for the missionaries themselves to make. There are two or three general observations that can be made. The first is that the Canadian missionaries, like other missionaries out there, whether



they are Protestant or Roman Catholic, have established for themselves a very enviable reputation in their immediate locality. And in China where communications are generally so very poor that means that local interests have a very stabilizing effect on their immediate locality, so that an outside, shall we say, communist government coming into the area would be conscious of the susceptibilities and interests of the local population which would be served in a very large measure by the schools, by the hospitals, and by the other philanthropic works that are carried on by the missionaries in connection with their particular missionary program. I fancy that even the Chinese communists would be anxious for that part of the work that was perhaps not strictly spiritual to be carried on because of the great lack of technically qualified people in China today. So, I would give it as my view that the missionaries of West China Union University, like other missionaries, have a fair chance of being able to try out at least into the coming months continuing their work there. Whether or not it will prove practical after one or two years is, I think, up to the individual missionaries to assess as time goes on. But I think most of them feel that this immediate transition period can be surmounted as it has been surmounted in other areas. By and large there has been less anti-foreign demonstration than might have been expected considering the tone of the communist propaganda.

*By Mr. Fraser:*

Q. Is that owing to the fact that these communists coming in have been in contact with the missionaries in other sections before?—A. That is right.

Q. And have mixed with them for perhaps years?—A. Yes. I think that the number of straight died-in-the-wool communists within the communist ranks is, perhaps, not very large and there is a great number of others who for a variety of reasons are going along and many of whom have acquired their education in mission institutions, and many of them have come in contact with westerners in various places and I think are inclined to let them alone.

*By Mr. Graydon:*

Q. Since you are not an ambassador, Mr. Menzies, I suppose I can ask you some questions about China. I would like to ask this one question. In the papers recently, in the last few days, there have been reports of a third force emerging out of the confused Chinese situation. No doubt you have read that. It would be a movement in between reactionary forces of the generalissimo and the communists on the other hand. Have you any authentic information with respect to the possibility of that force or movement attaining any significant position in the present situation there?—A. That is a pretty difficult question because the information which we have is that normally available to the public. As I understand it the reports referred to a group headed by the acting president who has retired to Hong Kong with some gastric ulcers or something like that. I doubt very much though whether too much importance should be attached to a third force emerging at this rather late hour. But that is entirely speculation and I think it would be difficult to put a finger on anything definite.

Q. From the information that you get from the Chinese situation does the department feel that the present government, the new government that is taking over in China, is apt to be more communist than Chinese in character or more Chinese than communist? Where would the emphasis be?—A. Well, I think that Mr. Pearson in his statement to the house indicated the communist ideology and communist international associations of the present new regime. It has been a fact of Chinese history that the four hundred and fifty million people with their long and very deep cultural traditions have had over a period of time an influence on every alien philosophy that has been introduced into China, and

I would certainly call communism alien to the Chinese tradition; but I think it is entirely premature to come to any judgment at this time on that particular question that you asked. I doubt if that would appear for some time to come.

Q. May I ask you one other question? Have any Russians been appearing on the scene in China during this change or since the change took place?—A. Oh yes, Russians have. Perhaps I should put it this way. There was a Soviet ambassador in Nanking. The Soviet ambassador is Mr. Roschin. He moved to Canton at the time when the National Government moved its capital there, about the 20th of April. They left a certain caretaking group in the embassy in Nanking. Then when the new government was proclaimed in Peking about the first of October the Soviet government immediately recognized that government, and so did the other satellite governments including Yugoslavia. The Soviet ambassador had in the meantime returned to the Soviet Union leaving only two or three in Canton, and he came immediately to Peking and since then reports have it that perhaps two or three hundred Soviet workers and technicians have appeared on the scene—particularly in Peking and Tientsin. Not many have appeared in Shanghai as yet.

Q. There has been a somewhat substantial immigration from the Soviet into the country since?—A. Two or three hundred in a country like China is not a very large figure, just a blot on the landscape. There may be that many or more in Manchuria.

Q. You don't need many communists in a country to make their presence felt though.—A. No, I certainly agree with you on that.

Mr. FOURNIER: What about at the head of the army over there, are there any Russian generals?

The WITNESS: Not at the head of the army. The head of the army is General Chu Teh, and he has been closely associated with Mao Tze-tung since the days when they were fighting the nationalists in the early thirties in Kiangsi; and many of the leading army corps commanders are old lieutenants of his, associates of twenty years. But on the question of Soviet advisers or technicians, that is something on which it is difficult to have a great deal of information at this time because the western representatives are not permitted to travel around at all in China and that makes their powers of observation somewhat limited.

The CHAIRMAN: Mr. Menzies, have you any idea of the dislike or hatred that the Chinese must naturally have against the Russians on account of old scores they have to settle with them? I have in mind, for instance, Manchuria and the war they had at the beginning of the century in connection with outer Mongolia and so on. Is there any tangible evidence of the dislike which the Chinese people must naturally have against the Russians for infringements on their territory which have occurred during the last century or so?

The WITNESS: I would think there would be the basis for a certain degree of enmity there. That might build up in time.

*By Mr. Fleming:*

Q. Is there anything to distinguish the attitude of a communist of China toward Canada, the attitude of any of its nationals or its government, or anything of that kind?—A. Well, sir, most Canadians in China are regarded as Britishers by the ordinary Chinese. They are almost entirely known as Englishmen to the Chinese. I doubt very much if they make a particular distinction between Canadians and the people of other countries. I think Canadians are generally pretty favourably regarded because of their missionary activities in China and for their philanthropic work. I have in mind, particularly, Canada's contribution in connection with Canadian Aid to China during the war and after the war when some seven million dollars was given; the Canadian Red Cross and the Friend's Ambulance Unit; and that, with the work of the missionary organizations



has tended to become known among the Chinese; and, in general, I think that Canadians are regarded in a friendly light.

Q. And what about the attitude of the communists?—A. Well, when we speak of the Chinese we generally regard them as one group.

Q. I am not speaking about the Chinese people generally, I am speaking about the communists and the communist government.—A. Well, I think probably they have no more affection for us than they have for any of the other western powers, although the size of our country is not as likely to draw attention.

Q. Is there any distinction between an American on the one hand and any of the others, including ourselves?—A. I think probably the United States has been singled out at the present time as the target of the anti-imperialist propaganda. Usual propaganda technique would seem to be to focus attention on one country, and the United States seems to be the principal one at the present time.

Q. What extra features would flow from recognition of this regime in China, apart from the usual ones and apart from this extraordinary one of the communist government taking its place on the permanent seat at the United Nations; are there any other permanent features that flow from recognition?—A. The question of Chinese representatives abroad certainly creates a problem in all countries, especially where there may be a sizeable Chinese population, such as in Malaya; and there is the question of Chinese representation in a vast group of international organizations besides the United Nations, organizations like the Far Eastern Commission and the Allied Council in Japan; and the question as to how this will affect the Japanese peace treaty negotiations; and other factors of that kind that have to be considered and taken into account.

Q. What results can be expected in these smaller countries south of China? I am thinking particularly of Siam and Burma, where communist agents have been very busy already stirring up all kinds of trouble. Is there any reason to expect more trouble, or the manifestation of more trouble if Chinese communists marched down to the northern borders of those countries?—A. I think that is a very difficult question to answer. There are factors which bear on both sides. You raised two angles on that question. One was the appearance of communist troops on the borders of the country. Now, that certainly is going to have a disquieting effect, particularly in French Indo-China. Burma has a rather hazardous border that is very mountainous and it is not easy to push over that border, particularly with the decay of the Burma Road. It certainly would create a problem on the borders of Indo-China, but I am sure that the people of Indo-China and the government there will be aware of it.

*By Mr. Green:*

Q. Can you tell us something about the Far Eastern Commission?—A. Yes; what part of its activities would you like to know about?

Q. Is it really taking any part whatever in the determination of the policy in Japan?—A. Well, the Far Eastern Commission was set up, as you know, early in 1946 with eleven powers represented on it. I have its terms of reference here but I am sure you do not want those. It was to develop principles and policies that the Japanese government itself should adhere to in fulfilling the terms of the surrender signed on the U.S.S. *Missouri* on September 2, 1945. At the same time it was not to interfere directly in the administration of Japan which was the responsibility of the Supreme Commander for the Allied Powers.

The Far Eastern Commission was to arrive at its decisions—so-called policy decisions—by a majority vote but with the concurrence of the four big powers—China, the Soviet Union, the United States, and the United Kingdom. It was originally envisaged that it would perhaps operate for a two or three year period prior to the convening of the Japanese peace conference. The difficulties that



have come up in the way of the working of the Security Council with its veto powers have also come up in the Far Eastern Commission although its work has been carried on in camera.

The international conditions under which a settlement with Japan was originally envisaged in the initial work of the Far Eastern Commission changed a great deal with the growth of certain underlying tensions in the Far East that have been magnified since that date. The Far Eastern Commission is still making some progress in relation to some of the smaller problems but the great fundamental ones, such as levels of industry in Japan, reparations and so on—well, little progress has been made in the last year or so and I think it is only natural to expect that an organization set up for a temporary purpose and, particularly in view of these underlying tensions, and with a veto power, should slow down after a certain length of time.

Q. It is really not functioning very effectively at the moment?—A. It is not functioning very quickly. It depends upon whose definition of effectiveness is given. In our view it is not effective.

*By Mr. Graydon:*

Q. May I ask one more question about China? Has any move been made by Chiang Kai-Shek to form a government in exile, as has been done in some other similar circumstances in other countries?—A. There is no reason to form a government in exile at the present time. The government began to withdraw from its most recent seat in Chunking to Chengtu the other day. It still commands twenty per cent of the territory of China. It still has quite a large and reasonably secure base in Formosa with an air force, the navy and a fairly substantial army of 400,000 men.

Q. I take it your view is then that the Nationalist government can hold out for some considerable time and that there would not be any necessity for any plans for an exile administration?—A. If they are planning an exile administration I am not aware of it.

*By Mr. Green:*

Q. What is the attitude of the communist government towards trade with the western countries?—A. I think they are anxious to resume trade as it appears to be advantageous to them. They have taken over some of the trade monopolies of the National government in the export field and I am given to understand they have expanded them. They have imposed a great number of regulations to ensure that the small amount of goods they have for export that are valuable to the world will bring them as much in the way of returns, of the type of thing they consider to be essential to their country, as possible.

Q. Is trade being carried on there to any extent?—A. There is a fairly considerable amount of trade at Tientsin.

Mr. FRASER: Have they taken over any Canadian interests?

The WITNESS: Not that I am aware of.

Mr. BATER: Is it safe to conclude that the communist control about 80% of China at the present time?

The WITNESS: It is very difficult to say, with rough areas of China and vast spaces in the northwest which may not be immediately occupied but which are not densely inhabited. There are areas in south Sinkiang and Nearer Tibet and so on which are very extensive in size and therefore the figure may run anywhere from 70% to 80%.

*By Mr. Winkler:*

Q. I understand the witness to say that communist China does not recognize the embassies of countries which do not recognize it?—A. Yes.

Q. Well, then, in our case—Canada's case—to whom would she be able to make official contact within those occupied territories?—A. Through whom would the communist government be able to make contact?

Q. No, to whom would Canada make official contact?—A. We are not making any official contact with the communist government because we do not recognize it as the government of China.

Q. Suppose difficulties arose in connection with Canadians marooned over there and something had to be done—a protest had to be made in regard to their treatment—A. All Canadian officials in China at the present time have consular status, in addition to any diplomatic status which they may have. It has been our view, as I tried to point out earlier, that regardless of whether there is recognition of a government which proclaims itself, consuls should be able to carry on their normally recognized functions. It is the function of the consul to get in touch with the local authorities—whoever may be in control—and that does not constitute an act of recognition.

Mr. GREEN: Is there any trade out of Hong Kong to Shanghai?

The WITNESS: There is a certain amount of trade going through Shanghai by the so-called blockade runners but I would not want to pay the insurance on the cargos myself.

Mr. GREEN: That is the Nationalist blockade?

The WITNESS: Yes.

Mr. DICKEY: What is the status of that blockade under international law?

The WITNESS: The Canadian government has indicated that it does not recognize the blockade as being legal under international law because it cannot be made effective.

Mr. DICKEY: It is not on the basis that the government is still recognized, or anything of that kind?

The WITNESS: No.

*By Mr. Fleming:*

Q. Would you say the communists are doing anything to court recognition by the western nations as a government?—A. No, they have rung the dinner gong and they think we are all going to come and get it.

Q. They are following a fairly independent and aloof course in this regard?—A. I would say that the Chinese communists are perhaps misguidedly feeling that we will all wish to come to them more quickly than they will feel the necessity of coming to us. They have asked all governments to recognize them. That is the normal practice of a revolutionary government which sets itself up. They proclaim themselves a government and then they invite recognition from governments which are prepared to recognize them and so notify their representatives in China. Our representative has been so notified.

Mr. DICKEY: I just wonder if you can tell us whether we have any definite indication of the source of military supplies and equipment for the communist government armies in China—any reliable indication?

The WITNESS: Well, I am not a military man myself, but there was a fairly substantial communist army in China at V.J. Day which had acquired some of its equipment from purchase in the country. Some, I believe, was acquired through the national government when they were in alliance with the national government. Some was captured from the Japanese. The biggest stockpile came into their hands in Manchuria when the Russians withdrew and left fairly large quantities of Japanese arms and some arsenal equipment, the extent of which I do not know. They captured great quantities of American equipment from the nationalist armies particularly in the later phases of the war when divisions and

armies turned over. How much they may have obtained from other sources, such as the Soviet Union, I have no way of telling.

The CHAIRMAN: I believe that the ground has been pretty well covered.

*By Mr. Dickey:*

Q. I have one further question. You mentioned that you had not been able to get these confidential reports by means of the ordinary couriers you usually depend upon. I presume that lack to some extent has been made up by the presence of the ambassador in Ottawa and by his reporting to the department personally. Is that correct?—A. Yes, but that is an expendable resource in this sense, that we cannot get any officials back into China. We had six to start with, and we have peeled off two bills from our roll, so we have got four left. But we cannot keep on seeling them off and still have anybody left. We cannot get any more people in. We are anxious to get replacements in because there is a certain amount of personal hardship suffered by the people involved remaining on duty there separated from their families. We have indeed got a great deal of information from Ambassador Davis in his reports here as well as from some others who have come out.

*By Mr. MacInnis:*

Q. You are not getting anything out now?—A. Not by confidential bag. We are getting some direct mail out through the ships which run infrequently into Shanghai and we have telegraphic communication still.

*By Mr. Fleming:*

Q. Has any of that mail been censored by the communist government representatives?—A. Not that we are aware of.

*By Mr. Green:*

Q. Are you filing a report of the Far Eastern Commission?—A. We have filed one every year in the House as it has been published. It is published annually about February, and I assume that when the next session of the House comes around, there should be another report. But even there, in getting agreement on these reports, the veto comes in sometimes and slows them down for two or three months.

The CHAIRMAN: On behalf of the committee I thank you most sincerely, Mr. Menzies, for your fine and entertaining report.

Before we adjourn I would like to say that there is one man whose name is never mentioned. I refer to the worthy secretary of this committee, Mr. Plouffe, who is not only efficient but also very industrious.

*By Mr. Fleming:*

...and very courteous.

The CHAIRMAN: He will be working with me on the report for the next day or two.

—The committee adjourned.











1949

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SECOND SESSION  
HOUSE OF COMMONS

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS

No. 5

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WEDNESDAY, NOVEMBER 30, 1949

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Including Third Report to the House

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OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1949



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### **CORRIGENDA**

Minutes of proceedings and Evidence—No. 3—Wednesday, November 23, 1949.

Page 78. 27th line thereof—the figure 39·89 should read 39·79.

Page 82. 15th and 16th lines thereof, the words "strict and" are deleted and the word "strictly" is substituted therefor.

Page 83. 9th line thereof, the word "secretariat" is deleted and the words "diplomatic staff of the mission" are substituted therefor.





## MINUTES OF PROCEEDINGS

WEDNESDAY, November 30, 1949.

The Standing Committee on External Affairs held an executive meeting at 3.30 o'clock.

Mr. Joseph A. Bradette, Chairman, presided.

*Members present:* Messrs. Bradette, Breithaupt, Cote, (*Matapedia-Matane*), Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Graydon, Hansell, Harris (*Grey-Bruce*), Leger, MacInnis, McCusker, Mutch, Picard, Robinson, Stick, Winkler.—19.

The Chairman presented the following report of the Agenda Committee, viz:—

A meeting of the subcommittee on the Agenda was held in the forenoon at which Messrs, Bradette, Beaudoin, Graydon, Hansell, Harris, MacInnis and Winkler were present.

After discussion, it was agreed to submit to the consideration of the Committee the attached draft of a proposed third report to the House.

The Committee considered the said draft.

After discussion, the said draft was amended and adopted as amended.

*Ordered*,—That the said report be presented to the House as a Third Report.

*Ordered*,—That a letter dated November 29, 1949, sent by Mr. A. D. P. Heeney to the Chairman of the Committee be incorporated in the printed record. (*See appendix to this day's minutes of proceedings.*)

At 4.30 o'clock, the Committee adjourned to meet at the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*





## REPORT TO HOUSE

The Standing Committee on External Affairs begs leave to present the following as its

### THIRD REPORT

In the course of its recent study of the Estimates of the Department of External Affairs, your Committee received the latest information on the particular items referred and was impressed by the activities of that Department, its co-operation with other Departments of the Government, its active and real participation through delegates and representatives in the work of the United Nations, and its specialized agencies, and the numerous international conferences.

In regard to United Nations activities, your Committee notes with satisfaction that Canada was honoured in having the head of the Canadian Delegation elected Chairman of the Political and Security Committee of the General Assembly.

Your Committee considered the contribution made by Canada to the Budget of the United Nations and approves the representations made by Canada's delegates at the present session of the General Assembly to the Budget and Administrative Committee thereof for reconsideration of the amount of contribution by the various member nations.

Your Committee draws attention once more to the following recommendation made by the House of Commons External Affairs Committee in July, 1946:

On the question of financial commitments, your Committee recommends that the Department of External Affairs take whatever steps necessary to insure adequate controls over expenditures of Canada's contributions to the various international bodies on which Canada is represented.

Referring to the Passport Office administration, your Committee expresses satisfaction at the Government's announced decision to provide adequate accommodation for this Office. Your Committee notes with satisfaction that there is now no delay in the issuance of passports.

Evidence was given respecting the aims and activities of the United Nations Association in Canada and its relations with the Department. Your Committee recommends that the Government consider the advisability of increasing its grant to this Association in the future.

Pursuant to suggestions made in the House and in the Committee, your Committee recommends that consideration be given to introducing legislation at the next session to change the designation of Secretary of State for External Affairs to Minister of External Affairs.

A copy of the printed evidence adduced is appended hereto.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*



## APPENDIX

OFFICE OF THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS CANADA

OTTAWA, November 29, 1949

Dear Mr. Bradette,—I should like to call your attention to two statements of mine before the Standing Committee on External Affairs which I now find to have been in error.

As reported in my evidence on Thursday, November 24, I told the Committee that I believed the United Nations Association had not made any formal request for an increase in their grant. I have now discovered that, earlier this year, the Association did make a request to my Minister for an increase in the grant from \$5,000 to \$10,000.

In speaking of the World Health Organization on the same day, I gave the impression that the Soviet Union and the other Communist countries in Eastern Europe were all collaborating in the work of this Specialized Agency. This was, in fact, the case until some months ago when the U.S.S.R., the Byelo-Russian Soviet Socialist Republic, and the Ukrainian Soviet Socialist Republic withdrew from W.H.O. The other Eastern European countries are, however, still members, and this remains one of the unusual examples of useful collaboration with these countries.

I regret having made these mistakes of fact and would be grateful if they could be drawn to the Committee's attention with my apology.

Yours sincerely,

(Signed) A. D. P. HEENEY.

J. A. BRADETTE, Esq., M.P.,  
Chairman, External Affairs Committee,  
House of Commons,  
Ottawa.















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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, APRIL 20, 1950.

TUESDAY, APRIL 25, 1950.

Main Estimates of the Department of External Affairs—Item 64  
—Departmental Administration

The Honourable Mr. LESTER B. PEARSON

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.P.R.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950







STANDING COMMITTEE  
ON  
EXTERNAL AFFAIRS

*Chairman:* J. A. Bradette, Esq.

*Vice-Chairman:* Gordon Graydon, Esq.

Messrs.

Balcer	Dickey	Jutras
Bater	Diefenbaker	Leger
Beaudoin	Fleming	Low
Benidickson	Fournier ( <i>Maisonneuve- Rosemount</i> )	Macnaughton
Bradette		McCusker
Breithaupt	Fraser	Noseworthy
Campney	Gauthier ( <i>Lac St. Jean</i> )	Mutch
Coldwell	Gauthier ( <i>Portneuf</i> )	Pearson
Cote ( <i>Matapedia- Matane</i> )	Goode	Picard
	Graydon	Pinard
Croll	Green	Richard ( <i>Ottawa East</i> )
Decore	Hansell	Robinson
		Stick

*Clerk:* Antonio Plouffe.

## REPORT TO HOUSE

FRIDAY, April 21, 1950.

The Standing Committee on External Affairs begs leave to present the following as its

### FIRST REPORT

Your Committee recommends:

1. That it be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

2. That it be given permission to sit while the House is sitting.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*



## ORDERS OF REFERENCE

TUESDAY, 28th February, 1950.

*Resolved*,—That the following Members do compose the Standing Committee on External Affairs:—

Messrs.

Balcer,  
Bater,  
Beaudoin,  
Benidickson,  
Bradette,  
Breithaupt,  
Campney,  
Coldwell,  
Côté (*Matapedia-  
Matane*),  
Croll,  
Decore,

Dickey,  
Diefenbaker,  
Fleming,  
Fournier (*Maisonneuve-  
Rosemont*),  
Fraser,  
Gauthier (*Lac-St. Jean*),  
Gauthier (*Portneuf*),  
Graydon,  
Green,  
Hansell,  
Jutras,

Laing,  
Leger,  
Low,  
MacInnis,  
Macnaughton,  
McCusker,  
Mutch,  
Pearson,  
Picard,  
Pinard,  
Richard (*Ottawa East*),  
Robinson,  
Stick—35.

(Quorum 10)

*Ordered*,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House and to report from time to time their observations and opinions thereon; with power to send for persons, papers and records.

THURSDAY, 30th March, 1950.

*Ordered*,—That Votes Nos. 64 and 84, inclusive, of the Main Estimates 1950-51 be withdrawn from the Committee of Supply. and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

WEDNESDAY, 19th April, 1950.

*Ordered*,—That the name of Mr. Noseworthy be substituted for that of Mr. MacInnis on the said Committee.

FRIDAY, 21st April, 1950.

*Ordered*,—That the said Committee be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

*Ordered*,—That the said Committee be given leave to sit while the House is sitting.

*Ordered*,—That the name of Mr. Goode be substituted for that of Mr. Laing on the said Committee.

Attest

LÉON J. RAYMOND,  
*Clerk of the House.*



## MINUTES OF PROCEEDINGS

THURSDAY, April 20, 1950.

The Standing Committee on External Affairs met at 11 o'clock, a.m. Mr. J. A. Bradette, Chairman, presided.

*Members present:* Messrs. Bator, Benidickson, Bradette, Breithaupt, Coldwell, Côté (*Matapédia-Matane*), Croll, Dickey, Fleming, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Hansell, Jutras, Leger, Low, Macnaughton, McCusker, Noseworthy, Mutch, Richard (*Ottawa East*), Stick—24.

The Orders of Reference were taken as read.

On motion of Mr. Croll, seconded by Mr. Low, Mr. Graydon was elected vice-chairman.

On motion of Mr. Croll, the selection of the membership of the sub-committee on Agenda was left to the chairman.

On motion of Mr. Coldwell,

*Resolved*,—That 500 copies in English and 200 in French of its minutes of proceedings and evidence be printed from day to day.

On motion of Mr. Leger,

*Resolved*,—That permission be sought to sit while the House is sitting.

A general discussion took place on:

1. Hours of meeting and their possible conflict with those of other committees.

2. Appointment of two additional vice-chairmen.

3. Advisability of holding a meeting of all chairmen of committees of the House with the Government Whip.

4. Joint public meeting with the Senate External Relations Committee.

5. Order of witnesses to be heard.

6. The propriety of having ambassadors on leave appear before the Committee in an official or unofficial capacity.

It was agreed that the chairman take steps to arrange through the Government Whip's office, a special meeting of the chairmen of committees with a view to effecting an understanding with regard to days and hours of meetings of committees.

After discussion on point 6 above, the consensus of opinions seemed to indicate that the practice followed heretofore should be adhered to.

It was decided to hear first the Minister of External Affairs, to be followed by the Under Secretary.

The agenda for subsequent meetings was referred to the sub-committee on Agenda.



The Committee accepted the suggestion made to invite Messrs. Jutras and Eudes respectively members for Provencher and Hochelaga, to address the members of the Committee on their missions to the United Nations as Canadian delegates.

On motion of Mr. Bater, the decision to hold a joint public meeting with the Senate External Relations Committee was deferred.

At 11.35 the Committee adjourned at the call of the Chair.

TUESDAY, April 25, 1950.

The Standing Committee on External Affairs met at 4.15 o'clock, p.m. Mr. J. A. Bradette, Chairman, presided.

*Members present:* Messrs. Balcer, Bater, Benidickson, Bradette, Breithaupt, Campney, Coldwell, Côté (*Matapédia-Matane*), Decore, Dickey, Diefenbaker, Fleming, Fournier (*Maisonnette-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Goode, Graydon, Green, Hansell, Jutras, McCusker, Noseworthy, Mutch, Pearson, Picard, Richard (*Ottawa East*), Stick—28.

*In attendance:* The Honourable Mr. Lester B. Pearson, Secretary of State for External Affairs, Mr. A. D. P. Heeney, Under Secretary, Mr. H. O. Moran, Assistant Under Secretary, S. D. Hemsley, Administrative Officer and Mr. F. M. Tovell, Private Secretary, of External Affairs estimates.

(a) *Report of sub-committee on the agenda.*

The chairman reported that he had designated Messrs. Côté (*Matapédia-Matane*), Benidickson, Gauthier (*Portneuf*), Graydon, Low, Leger and Noseworthy. He further stated that the sub-committee had agreed on a meeting for Monday evening but for reasons of convenience, this meeting was postponed until Tuesday afternoon. It was further recommended that, in as much as it is possible, meetings be held on Monday evening and Friday morning.

The Chairman called Item 64, Departmental Administration.

The Honourable Mr. Lester B. Pearson made a brief statement and was questioned on the following:

- (a) Implementation of the North Atlantic Treaty.
- (b) The Klaus Fuchs incident.
- (c) The agreement with Newfoundland relating to landing bases.
- (d) Situation in China—representation, contributions and export of arms, material and commodities.

Mr. Pearson was assisted by Messrs. Heeney and Moran.

After discussion, Mr. Graydon moved that the proper official be called with respect to the Fuchs incident.

After further discussion, Mr. Graydon's motion was referred to the sub-committee on Agenda for consideration and report.

Mr. Moran was called and supplied answers on the question of exports.

Before adjournment, the Chairman asked the Secretary of State to prepare a brief statement on Germany and Spain.

At 6 o'clock, the Committee adjourned until Friday, April 28 at 11 o'clock.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## EVIDENCE

HOUSE OF COMMONS,

April 25, 1950.

The Standing Committee on External Affairs met this day at 4.15 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum. I know it is needless for me to say that we are very glad to have the Minister of External Affairs with us for today's meeting and that you have found it possible to come in such numbers and so early for the first sitting of our committee.

The first order of business will be receiving the report of the steering committee. I appointed Mr. Côté of Matapedia-Matane, Mr. Benidickson, Mr. Gauthier of Portneuf, Mr. Graydon, Mr. Leger, Mr. Low and Mr. Noseworthy.

We held a meeting, as called, in my own office and we had decided to have a meeting last night, but we found it impossible to do so. I know you will realize we did the best we possibly could to have that meeting yesterday, but there are so many committees functioning at the present time, we had to let it go.

Before we adjourn this meeting we will discuss when the next sitting will be held. Personally, I am in favour of holding it on Friday morning. I believe you will all prefer Thursday, but we might find it impossible to hold it on that day. Friday is only my suggestion. That is all I have to say at the moment.

I believe it is in order now to call the Hon. Mr. Pearson. Shall we follow the usual procedure and ask the Minister to make a statement and then have discussion later?

Agreed.

Item 64—Departmental Administration.

Mr. FRASER: And no questions while he is speaking.

The CHAIRMAN: I think that is the best procedure to follow.

Mr. STICK: Coming from you, Mr. Fraser, that is good.

Hon. Mr. PEARSON: I am very happy to appear before the committee and make a short, and I think it will be a very short, general statement, and then subject myself to questioning by the members of the committee following the practice that we have followed so successfully in the past. There may be questions that you will want to ask me today which I might not be in a position to answer very fully if they deal with detailed matters, but I will try to answer them as best I can, and then I can appear at a subsequent meeting, on Friday or any day you agree upon, and go into some of the matters in a more detailed way in the light of the questions which you may ask me today.

The general statement which I might make now I suggest need not deal with the work of the department, the organization of the department, the details of its administration and expenditures, unless you would prefer to begin with that subject.

I think that last year when I spoke at the beginning I discussed in a general way some of the important questions of foreign affairs that were facing us, then later, after we had completed our discussion and questions on my statement, we went into the details of administration and expenditures. Possibly that might be an appropriate way to proceed.

It is not easy to say very much on the general international picture in public session which is not platitudinous because there are so many sources of information which are available to us all now, and we are able, through the press and in other ways, to keep abreast of what is going on. There may be things I could say which might not be appropriate for me to say in public.

As I see it, and I am giving my own opinion, the general international picture since we met last so far as Europe and the North Atlantic countries are concerned, certainly has not deteriorated. I think that in some respects, at least, it has improved. That holding of the position, if I may put it that way; is due, I think, to a variety of causes among the most important of which is the working out of the North Atlantic Pact and the planning of collective defence which has begun under that pact. Whatever progress we have made in implementing the pact, and some progress has been made, its main value remains, up to the present time, in the fact that it has removed any expectation from the minds of those planning aggression in Western Europe that they can get away with those plans by attacking their victims piecemeal. In my own opinion that is, up to the present time, the most valuable result of the signing of the Atlantic Pact: that we have served notice on any aggressor that insofar as that region of the world is concerned, an attack on one is an attack on all. That has had a very useful effect. Not so long ago that assurance of collective action to meet an attack might have made a very deep impression on aggressors in Europe. I am glad that any potential aggressors now have that assurance of collective resistance. There has been in addition to that general valuable result, very useful work done in planning collective defence under the pact. Reports have been made in the House on that subject and I think I need not go into it in any greater detail at this time. We have not done very much beyond the initial planning and preparation for military defence. I am often asked what are we going to do about making effective Article 2, which is an article in which we in Canada had a great interest when it was included in the pact. It provides for social and economic co-operation among the members of the alliance. We have not done very much, if anything, on that point yet, but we hope to discuss it and begin the process of implementing it at the meeting of the council of foreign ministers of the Atlantic Pact countries which opens in London on May 15. We have had an exchange of views among the member states as to what we should include in the agenda of this meeting. The responsibility for initiating these exchanges rests with the president of the Council, the Secretary of State of the United States. He took that initiative and as a result the agenda of this meeting is pretty well decided on though there has not been final agreement as yet. It is, I think, proper for me to say at this time, that the subjects that are now suggested for inclusion in the agenda—I think most of them will be agreed on—have provided the basis for a very far-reaching discussion of every kind of co-operation under the Atlantic Pact, not merely military co-operation.

The meeting will, of course, have before it the report of the Defence Ministers, but it will have other things as well. Now, we must not pitch our hopes too high for important concrete results flowing immediately from this first discussion on Article 2. One of the difficulties, and I think it is a difficulty that caused some of the members of the North Atlantic group to hesitate a bit before they became involved too deeply in a discussion of this kind, is that there is already in Europe a good deal of machinery. We do not want to duplicate and overlap that machinery in such a way as to create more confusion than order. For instance, under the Marshall Plan arrangements, under E.C.A., there is machinery which is working pretty well. There is also machinery under the Brussels Pact. There is also machinery under the United Nations. Now, I do not suggest that the existence of this machinery should prevent development under the Atlantic Pact but we will have to take these facts into consideration



when we discuss what might be worked out under Article 2 of the Atlantic Pact. In any event, the E.C.A. machinery will be coming to an end in a couple of years, in 1952, so it is not too soon now to plan what will happen after the Marshall Plan arrangements end.

That, I think, is all I need say to begin the discussion of Atlantic arrangements. The Pact itself, as I have said, has had a useful political effect. Another reason for the,—well I was going to say improvement, but I am not going to say that; improvement would be too strong a word, but at least—for holding our own in Europe has been an improvement in economic conditions. It is a thesis which, I think, we all hold, that one of our best defences against communism are good economic and social conditions at home; and I think things are better in that respect in European countries than they were. We then can look with some satisfaction on what has happened in Europe in the last year, though it would be unwise to become too optimistic because the situation remains explosive. The danger of trouble, as I see it, is not in that there will be a calculated aggression, though there is always possibly a danger of that in our system of international organization, or disorganization; the danger is not so much that there should be a calculated aggression as that there might be an accidental explosion; and that danger remains. We have had evidence recently of the fact that it does remain in the disappearance of the United States plane in the Baltic, and all the inferences that have been read into that disappearance and the bitterness of the exchanges between the two countries concerned, the U.S.S.R. and the U.S.A. So as long as there is that feeling of suspicion and mistrust, and so long as there are materials lying around which can be exploded by the countries who feel that way about each other, you cannot feel too happy about the situation.

The situation in the Far East is not one from which anybody can get any satisfaction at all. Since we met last there have been communist forces. I do not like to call them that; I like to call them the forces of Soviet communist imperialism. One delegate to the United Nations referred to them as the forces of Imp.-Communism or Comm.-Imperialism; but whatever you call them, they have been making progress in the Far East in the most dramatic way, and not the only evidence of that progress is the success of the Communists in China. We discussed this matter in the House of Commons and there is no need for me to go over the same ground again. Since this subject was discussed in the House there is very little to report in the way of change. The nationalist Chinese forces remain in the islands off the mainland; at least, they remain on one island. There is some doubt as to whether they remain in the other island, Hainan.

The situation in Indo-China, which is the keypoint in that area, seems not to have changed very much in the last month or two and at the moment the condition is, shall I say, static, but it is not one from which we can get very much comfort.

On the United Nations activities since we last met, I have not very much to report. The Security Council has been meeting, but meeting without the delegates of the U.S.S.R. attending and, of course, that has reduced the value of the Security Council's work very considerably. The U.S.S.R. representatives have walked out from all the agencies of the United Nations, from practically all of the agencies which have met since they recognized communist China and there is very little reason to believe they will return to those agencies until delegates from communist China have been recognized by them as representing China. They have been very frank in this matter, and I suppose they will just stay away now until the Chinese representation is changed; and while they do stay away there is very little that an agency like the Security Council can do. How long this walkout will last I do not know. There are many United Nations agencies where the communist Chinese have almost a majority in the

membership and one of these days we may be faced with a situation where some agency of the United Nations will admit to its membership a communist Chinese representative. What will happen then I do not know. It is a deplorable situation but it is not one that we can do very much about as long as the Russians act as they do.

There are many other subjects that I could mention. Our relations within the Commonwealth are happy. I reported on the Commonwealth meeting at Colombo and there is to be a follow-up of that meeting in Canberra, which will take place in May. We will be represented at that meeting by a member of the government. I notice, if it is worthy of mention, that an Australian newspaper seems to have had a quarrel with our representation at this Commonwealth committee meeting in Canberra. I do not think we need to take that very seriously. Mr. Mayhew, who is representing the government at this meeting, goes there not as Minister of Fisheries, but as a representative of the government of which he is a member, and as a member of the conference which met at Colombo and which laid the basis of this meeting at Canberra, and also as a representative of the Province of British Columbia which is a province naturally interested in Pacific matters.

Our relations with the United States are as usual. In the last six months we had some, I was going to say differences, but that is not the right word. We have had some adjustments to make on specific issues and as is always the case or nearly always the case in our relations with our neighbour, we seem to find a reasonable compromise in differences of opinion which we have, and this has been the case with the questions which I have in mind. I do not think I should go into them in detail because they will come out, no doubt, in the course of the discussion and you may wish to ask me questions about them.

I do not think, Mr. Chairman, that I need say anything more, at this stage, insofar as a general statement is concerned but here I am to be questioned, and if I cannot deal with the questions at this sitting, as I said, I will be glad to look into the matters that come up and try to deal with them at the next sitting.

Mr. COLDWELL: Has the agenda for the next Foreign Minister's conference been arranged? Is there a general feeling among the ministers that article 2 of the North Atlantic Treaty should be on the agenda?

Hon. Mr. PEARSON: There is a general feeling as I say, that we should have a full exchange of views. I am not sure what the formal position is; there has been no formal agreement, but that is the situation. There has been general agreement that we should talk about social and economic factors.

Mr. GREEN: How do these talks fit in with the conferences on trade agreements which have been going on? It would seem to me there may be some conflict between the meetings of the Ministers of Trade and Commerce or the Finance Ministers or their representatives, and these ministers of foreign countries, when it comes to economic and social matters. How is it proposed to prevent overlapping?

Hon. Mr. PEARSON: Well, I do not know of any meetings that have been going on in the North Atlantic group between the Ministers of Trade and Commerce or Finance. There have been meetings with Ministers of Finance or their representatives—in our case, it was the High Commissioner. They have been discussing the financial aspects of the defence programs that are being planned, not general financial questions at all, so there should be no conflict. Another meeting to be held before the North Atlantic Council will be the meeting of the Foreign Ministers of the United Kingdom, the United States and France. Those discussions are not organically related to the meetings of the North Atlantic Council at all because the foreign ministers of

those countries have meetings periodically. Some of the subjects they discuss, however, will be of interest to us in the North Atlantic Council and we may participate later in a discussion of subjects.

Mr. GREEN: What about the trade meeting in Torquay of all the North Atlantic nations which will be attending that conference?

Hon. Mr. PEARSON: The Torquay Conference, which will be held in September, is quite a separate affair. It is under Geneva arrangements, and is to discuss further tariff reductions. It is a next step in the tariff discussions under the Geneva arrangements which were started at Annecy and will go further at Torquay in September.

Mr. GREEN: What do you have in mind when you refer to these economic and social questions? Could you give us an example of what they are?

Hon. Mr. PEARSON: I have in mind only the laying of the foundation for general economic co-operation between the members of the North Atlantic Council, not trade talks or anything like that at all. On the economic side, we may have to set up or establish some agency under the North Atlantic Council that will do the kind of job that the E.C.A. committee for Europe is doing now. I would not like to go into it any more specifically than that; but I do not want to leave the impression that in these economic talks at this time we will be doing more than talking principles and machinery. On the social side, what we will do there, if we discuss that, and I think we will, is to see what we can do as a North Atlantic group to strengthen the feeling of community, of unity, by exchange of information, exchange of views on various subjects and specifically, I hope, to see how we can work together to counteract through some kind of democratic agency the propaganda of Soviet communism.

Mr. GREEN: You mean, you intend to combat Soviet communism by counter propaganda.

Hon. Mr. PEARSON: Well, you will recall that during the war a very important aspect of our operations was psychological warfare. We are in a struggle now between two worlds and it may be desirable at least to discuss how we can co-ordinate our information and propaganda activities so that we will make them possibly more effective than they are now.

Mr. GREEN: Is that all you have in mind as social questions to be taken up by the nations in the North Atlantic Treaty?

Hon. Mr. PEARSON: That is all I have in mind at the moment, but in addition to that I think we will discuss not so much the actual subjects, as some kind of economic consultative machinery. Under the pact we have not any machinery of that kind at all now. They have under the Brussels Pact.

Mr. GRAYDON: May I ask the Minister this question? Is it proper to take from your remarks regarding the discussions under part 2 of the North Atlantic Treaty dealing with economic and social matters, that at the London Conference there may be a foundation laid for the continuation of the Marshall Aid Plan under other auspices because it does terminate, as the Minister knows, in 1952, and there has been a good deal of discussion as to what will happen when the Marshall Plan finally comes to an end? Is this the first move towards taking its place and continuing it on another basis?

Hon. Mr. PEARSON: Well, I would not like to say that we will be discussing the actual continuance of Marshall Aid or something like Marshall Aid after 1952. That is a matter of very great importance and no doubt it may have to be considered, but I do not think that it will be considered at this meeting of the North Atlantic Council. What I had more in mind is what we will be able to do to continue the machinery for co-operation that has been set up under Marshall Aid, and which has proved so valuable, when Marshall Aid comes to an end. I



am not thinking of the help that the North American countries may give Europe after 1952; I am thinking of what will take the place of E.C.A. in Europe when the Marshall Plan comes to an end.

Mr. COLDWELL: In other words, the vital factor in fighting communism is to maintain good social conditions in those countries where communism is likely to develop.

Hon. Mr. PEARSON: I think we all agree on that.

Mr. COLDWELL: That is why article 2 is in there?

Hon. Mr. PEARSON: Yes, it has that in mind and it has also in mind the eventual establishment of closer economic relationship between the countries that have signed the pact.

Mr. COLDWELL: What I had in mind is this: We can circulate all the propaganda we like in the way of psychological warfare but, unless conditions in the countries are good, that will be of little value.

Mr. McCUSKER: I would like to ask a question, if I am not changing the subject. In the press some time ago there appeared an article—it was when the Dr. Klaus Fuchs, the atomic scientist incident came up—which read that the Canadian authorities had passed that information on to the British authorities. This the Chancellor of Great Britain flatly denied. The papers published that story widely. Then Britain's Prime Minister denied the story; then our own Canadian External Affairs Department denied the story; but then, on April 5th Lord Jowett stood up in the House of Lords and admitted that the entire story was correct. The editorial goes on to say we cannot help wondering about two things: the public has not received all the information as to how Fuchs was able to work long after his identity as a Soviet spy was known and who protected this traitor and have those accomplices been discovered and made harmless. Our own parliament would do well to develop similar curiosity. I admit that we could not go into that very much. The second point is how such misleading statements could be made by our own External Affairs Department.

Hon. Mr. PEARSON: I would be glad to say a word or two about that because I know this matter has caused a certain amount of confusion, and statements have been made in London and in Ottawa which may seem to contradict each other. There have been statements made subsequently which altered the earlier statements, but I can assure you that there has been no bad faith or desire to deceive, on the part of anyone who has said anything.

There has been some confusion but I think I may be able to clear this matter up. I have a note on the matter here. The misunderstanding has arisen in regard to the amount of information in the possession of the Canadian authorities regarding this Dr. Klaus Fuchs, and also in regard to the question of whether information concerning Dr. Fuchs was communicated by the Canadian government to the United Kingdom and United States governments. It was suggested, as you recall, in London—and you have just mentioned it—that no such information concerning this man had been given to the United Kingdom authorities—no information at all concerning him—arising out of the Gouzenko spy trials.

The situation is as follows: Our Royal Commission on Espionage did not secure from either Gouzenko or from any documents provided by Gouzenko any information regarding Fuchs. Neither was his name mentioned in any of the testimony given before the commission. I believe that when an inquiry was addressed to our department in connection with this matter some time ago by a newspaper or newspapers, a reply was given. I have not got the exact words here but it was to the effect that there was no information given out, that no information came out concerning Fuchs in the commission inquiry or in the report of the commission. That is in a strict sense true, but it does not tell the whole story. I am sorry if that original reply may have misled some journalist.

The fact remains that the name of Fuchs was not included in any statement by Gouzenko and was not in any testimony, but it was included in a long list of names and addresses found on one other person on whom suspicion fell. It was one of a great number of names. This particular name, one of a great many, did not arouse any particular interest at that time. There was not any reason why it should have. The man Fuchs, the name in the notebook, was not then in Canada; nor had he ever been in Canada except for a brief period in 1940 when he was held in an internment camp; he was sent back to England from that camp at the request of the U.K. authorities so that the mention of his name among many names in this particular notebook of a person who was suspected of being associated with espionage did not cause any special concern at that time to the Canadian authorities. However, that information and those names were brought to the attention of the United Kingdom and the United States authorities at that time.

Mr. GRAYDON: At that time?

Hon. Mr. PEARSON: At that time—during the investigation. The information collected by the Canadian Royal Commission, plus the information in this and other notebooks was made available to the United Kingdom and the United States authorities.

Those circumstances, I think, resulted in what may appear to be contradictions in statements which have been made by the Canadian authorities with regard to Fuchs. On the one hand the Canadian government did not specifically inform either the United Kingdom or the United States government concerning Fuchs. We did not think there was reason to at the time, but, on the other hand, we made available to the United Kingdom and the United States authorities all the information collected by the Royal Commission on Espionage at that time. So that they did get this notebook or the information in the notebook among the mass of material, and there was the single reference in one single notebook to this man Klaus Fuchs.

Mr. COLDWELL: You say there were a number of names; can you tell us how many?

Hon. Mr. PEARSON: I do not know whether I should. There were more than fifty.

Mr. FRASER: Could you say something else? Have those names been investigated or have those people been investigated since?

Hon. Mr. PEARSON: Well, those names were in the hands of the security authorities of the United States and the United Kingdom in 1946.

Mr. FRASER: After this one name has come up and has proved as it has, you would think that they would investigate the others.

Hon. Mr. PEARSON: I would think that would be a normal police procedure.

Mr. FOURNIER: Are you informed as to whether they are living here in Canada, in the United States or in the United Kingdom?

Hon. Mr. PEARSON: As far as I am concerned I do not know.

The CHAIRMAN: Did the minister's answer satisfy you, Mr. Coldwell?

Mr. COLDWELL: If Mr. Pearson does not wish to say any more I am satisfied.

Mr. HANSELL: I was going to ask—

The CHAIRMAN: I am sorry that there is not more room for you Mr. Hansell and that you had to sit in that back row.

Mr. HANSELL: I am accustomed to standing behind big men, particularly if there is a parade going by. As I understood you, Mr. Pearson, you say that Dr. Fuchs was released from the internment camp at the request of the United Kingdom government?

Hon. Mr. PEARSON: No, I think it is inaccurate to say that he was released. He was in an internment camp in this country; he had been sent here from the United Kingdom in 1940 at a time when aliens were being rounded up all over the place. I was in England at that time and I remember how we felt about it—there was almost panic created by the imminence of invasion, and all sorts of aliens were rounded up and sent over here and kept over here by the United Kingdom government, with the knowledge and approval of the Canadian government. However, the responsibility was a United Kingdom responsibility. Dr. Fuchs was not, as I understand it, released in this country; he returned to the U.K. and what happened to him after that I do not know.

Mr. COLDWELL: Is not the situation this: there were several thousands of these people here and they sent somebody to screen them and took back about a thousand?

Hon. Mr. PEARSON: Yes, and they kept going back in dribblets as they were screened and found all right—and as the danger of invasion receded certain risks could be taken that could not be taken in 1940.

Mr. FLEMING: Which government had the responsibility of the selection of those returned?

Hon. Mr. PEARSON: The United Kingdom government.

Mr. HANSELL: The Canadian government would have no authority to send those people back by virtue of any investigation that they themselves would make?

Hon. Mr. PEARSON: No.

Mr. HANSELL: I had a series of questions that I was going to put on the order paper in respect to that situation but I looked them over and I decided that, in the public interest, perhaps it would be as well not to do so. I thought I would talk to the Minister of Justice about it. I might say, Mr. Chairman, that it is very difficult for me to determine where the work of the Department of External Affairs ceases and where the work of the Department of Justice begins. I would have fancied the entire matter of the Fuchs incident would have come under the Department of Justice; I was rather surprised that it was opened here.

Hon. Mr. PEARSON: Some aspects of it would be entirely under the Department of Justice, because for one thing, the R.C.M.P. have a certain importance in these matters. This matter concerned the Department of External Affairs only when it became a matter of inter-governmental discussion between the United Kingdom and Canada, and our recent interest in it arose out of statements made in London which we thought were open to misunderstanding.

Mr. GRAYDON: May I ask the minister what time in the year 1946 was the information conveyed to the U.K. government with respect to Fuchs?

Hon. Mr. PEARSON: Well I cannot tell you the exact time but it was during the progress of the inquiry—the royal commission inquiry. It was while the inquiry was going on that this material was handed over.

Mr. GRAYDON: May I ask the minister another question. Was there any communication, official or otherwise, with respect to Fuchs which passed between the United Kingdom authorities and the Canadian authorities after that time?

Hon. Mr. PEARSON: I know of no such communication but I am not in a position to answer that definitely. I will look into it and see if I can find an answer but I know of no such communication with our department.

Mr. GRAYDON: Were there any communications with respect to any others mentioned in the notebook?

Hon. Mr. PEARSON: Not that I know of, but this is the kind of question concerning which I would not want to toss off a casual answer. There may have



been some communications between some authorities of the Canadian government and the U.K. government in respect of some of those names. We have no record in External Affairs concerning Dr. Fuchs, nor I believe, concerning anyone else in that list which I have mentioned and which consisted of some scores of names.

Mr. DIEFENBAKER: Would you be prepared to say whether there was any memorandum regarding Fuchs or whether he was identified by his christian name in that memorandum which was found to exist?

Hon. Mr. PEARSON: Well I cannot say definitely. My understanding is that it was merely his name and nothing else. I think it was Klaus Fuchs, a name amongst a lot of other names with no other explanatory reference or words—but I would again like to look into that before I made a final answer.

Mr. DIEFENBAKER: Was the department able to identify this reference to Klaus Fuchs as the man who had been out here in internment?

Hon. Mr. PEARSON: Our department would not do that normally. I do not know whether the police were able to.

Mr. DIEFENBAKER: You do not know whether the Department of Justice did?

Hon. Mr. PEARSON: No, but I will try to obtain that information.

Mr. COLDWELL: Was the notebook found on the person or in the papers of one of the persons who was convicted, or was it somebody else that was not found guilty?

Hon. Mr. PEARSON: It is difficult for me, not being a security expert, to know how far I should go in answering these questions, without consulting people who know more about security than I do. All I think that I should say is that I will look into this question, but it was found in a notebook of one man charged.

Mr. COLDWELL: If the man was subsequently found innocent there would be some reason for neglecting this particular notebook.

Mr. FLEMING: Is the sequence of the events complete between the time of the finding of the notebook and the return of Dr. Fuchs?

Hon. Mr. PEARSON: I think he had returned to England long before.

The CHAIRMAN: The notebook was found in 1946?

Mr. FLEMING: What was the date of his return?

Hon. Mr. PEARSON: I think it was 1941.

Mr. FLEMING: Are you sure of that?

Hon. Mr. PEARSON: I think it was in the autumn of 1941.

Mr. HEENEY: It was long before the royal commission.

Hon. Mr. PEARSON: It was many years before the royal commission sat.

Mr. COLDWELL: As a matter of fact did not the United Kingdom government send out His Majesty's commissioner of prisons, Mr. Patterson, who screened these people and this man Fuchs was one who was sent back?

Hon. Mr. PEARSON: I do not know that.

Mr. FRASER: You said the information in that notebook went to the United Kingdom and also to the United States. If there are any of these people still living in Canada are they being investigated or can you say that?

Hon. Mr. PEARSON: I cannot answer that.

Mr. FRASER: You said you were going to find out something else and you might find some information on my question?

Hon. Mr. PEARSON: I will find anything I can that is proper on this.



Mr. GRAYDON: May I ask one further question? Does the minister know whether or not the person who had the notebook was carefully examined with respect to the qualifications and history of these people that were mentioned in the book itself?

Hon. Mr. PEARSON: I cannot answer that question.

Mr. GRAYDON: Then may I make a suggestion to you, Mr. Chairman, and to the committee—that in view of the international importance of the Fuchs incident, should we not have the responsible government authority in whatever department it may be—in justice perhaps—before the committee to follow this up? Because it is obvious that the minister can only give us apparently hearsay evidence in connection with it. I think the committee ought to have the full evidence in this. I think the public is perhaps as interested in this as in almost any other proceedings which the committee might take.

The CHAIRMAN: I do not suppose there could be any objection, as long as the matter has been brought to the attention of the committee. Of course it would be in the discretion of the Department of Justice, in a matter of this kind, as it would be in the case of any matter of secret documents.

Mr. COLDWELL: Would there be a responsible official here? Fuchs was in Canada only in the internment camp; he was never free in Canada; he was never given a landing permit; he was just a United Kingdom internee in this connection.

Mr. MUTCH: Are we not getting ourselves possibly involved in something where the relationship which Canada has is a purely casual one, and are we not distorting it out of all proportion to the Canadian importance. After all this was a man who was the guest of another government, sent here at their instigation and returned to them at their instigation, and before we had any knowledge of him he had completed something like five years in their service. If as the minister has said, the only information in Canada was sent to the United Kingdom when it became available, whether or not they made any use of it is a matter that the public of that country could be concerned about, rather than us.

Mr. GRAYDON: I think the honourable member who has just spoken has perhaps not grasped the point I had in mind. What I had in mind was to find out what precautions were taken by way of examination of the man who had the notebook, and not of Fuchs himself, because it seems to me there must be some looseness somewhere if the man who had the notebook was not carefully examined on the history of Fuchs—because that is the responsibility of Canada and not of the United Kingdom. That is why I think it ought not to be left without all the ends being tied together.

Mr. CÔTÉ: That information would be available to the member for Peel, as it is to all of us, in the report at the royal commission.

Mr. MUTCH: With deference, it seems to me that it would be a bit unusual for this committee to enter into what seems to me to be an investigation of the thoroughness and competence of the commission sitting in 1946. I suggest that for all practical purposes that is not a suggestion that is worth much as far as I am concerned.

Mr. McCUSKER: I asked the question to clarify the attitude of the department in so far as a misleading statement having been put out is concerned. I have no intention of re-opening the trials or having an investigation of the royal commission but I thought, in justice to the department, that you should be given an opportunity of clarifying the department's actions in regard to this editorial that appeared in the paper. That is as far as I wished to go.

It was not my intention to open up the spy trials or an investigation of the commission which sat at that time. I am quite sure that any of us who followed the proceedings at that time feel that the commission went into this thoroughly and that it would not have left any stone unturned to find out who were dangerous people.

Mr. GRAYDON: Somebody left some stones unturned somewhere and I would like to know who did it?

The CHAIRMAN: On the point raised by Mr. Graydon there is no doubt but that the Minister of External Affairs has given all the information he can possibly give. We find then that we might overlap into another department. If you will leave the matter to me I will make some inquiries as to whether it is within the orbit of activities of our committee to call some officials of the Department of Justice. Would that be satisfactory to you?

Mr. PICARD: I think this committee should take its own action in this regard and we might come to the conclusion that, as Mr. Mutch has said, the work of the royal commission need not be re-opened in the Committee on External Affairs. I think we have been assigned a specific duty which must be carried out. I think the point has been raised only to clarify the position of the minister, but once that has been done the members can express satisfaction or dissatisfaction with his answer. I think we should all be satisfied.

To go further than that and to enter into the spy investigation is, I think, beyond the work of this committee. I think it is not appropriate to call any officials of the Justice Department with respect to the Fuchs incident.

Mr. GRAYDON: That is of course taking us into another field altogether and and I have no desire to do that, but the Fuchs trial and conviction is a matter of international affairs. It is not a question of a spy trial and nobody suggests opening the spy trial even if we were competent to do so. It does seem to me however, that you cannot leave the Fuchs matter just in the way it is left here, without finding out what responsibility the Canadian government had with respect to the position in which the U. K. government finally found itself.

I think the suggestion which the chairman has made is a good one—that he look into the matter himself. We are not asking anyone to take it out of the hands of anybody. When we have another meeting the chairman can indicate what his exploration has discovered and we can deal with the matter then. We need not waste any more time now.

The CHAIRMAN: When I said I would look into it I included the steering committee—I would not take it upon myself alone but I would bring it to the attention of the steering committee.

Mr. CÔTÉ: The question raised by the member for Peel has already been answered by the minister—I refer to the responsibility of our government. The minister has stated, if I am not mistaken, that the Canadian government only had one thing to do with that man. The Canadian government's position was that he was a guest, here at the request of the British government, and when he was recalled we sent him back. I think it is very clear that the only responsibility of the Canadian government was to be host to a guest from the British government.

Mr. COLDWELL: The notebook was sent to the British and American authorities. If the person who possessed the notebook was charged and convicted then there would be some reason to take further steps but, if he was charged and found innocent, people might think the notebook had no bearing on the matter. If we get that point cleared up I think we could go on.

Mr. MUTCH: It is perhaps a reasonable assumption that if one name on that list turned out to be this particular person, Klaus Fuchs, then the whole list should be subject to fairly close scrutiny—whether the original possessor was discharged or not.

Mr. COLDWELL: If in 1946 the man who possessed the notebook was neither charged nor convicted, they might consider these names meant nothing at all; on the other hand, if he was charged and convicted they might consider that they should look further into it.

Mr. MUTCH: The mere fact that the list was sent is an indication that those are people upon whom suspicion has fallen but, as the army says, the responsibility rests on those in whose custody he is—and we have not seen him for five years.

The CHAIRMAN: Would you place a motion before the committee, referring the matter to the steering committee?

Mr. STICK: I will so move.

The CHAIRMAN: That motion is moved by Mr. Stick, seconded by Mr. Coldwell.

Carried.

Mr. BATER: Do I understand from the minister that the Torquay meeting is dealing exclusively with tariffs?

Hon. Mr. PEARSON: That is right.

Mr. FOURNIER: Mr. Minister, at the beginning of your remarks, you stated that an aggression against one member of the Atlantic Pact would be aggression against every other one. Of course that means war—but who will decide or declare war? Will there be an international meeting of some kind? Will there be some consultation? Who will speak first?

Hon. Mr. PEARSON: Well, we went into this, I remember, last year when we were discussing the Atlantic Pact and the legal and constitutional implications of our signature to that Pact. We have accepted an undertaking, in signing the Atlantic Pact, to consider an attack on one member of that group as an attack on all. It remains the responsibility and prerogative of the Canadian government, and Parliament, to decide what action they will take if such an attack has taken place—and indeed it remains our decision as to whether there has, in fact, been such an attack, or whether we should declare formal war as a result of it. That is not a legal or constitutional change by reason of the signing of the Atlantic Pact.

Mr. STICK: Can the minister say just how far the Newfoundland base agreements have gone? Would you like to make a statement on it? If you are not prepared to make it now perhaps it could be done later?

Hon. Mr. PEARSON: I can make a preliminary statement. It is a matter of very considerable importance, especially to Newfoundland. The situation is that when Newfoundland became a province of Canada, Canada accepted the treaties and arrangements and undertakings which had been made previous to Newfoundland joining Canada. Among those was the bases agreement with the United States. We were bound, under international law, to accept the obligations of this agreement, even though the Canadian government might not have had anything to do with the making of that in the first place.

We have been discussing, for some time now, with the United States whether there will be any change in that situation arising out of the fact these bases are on Canadian soil and not on Newfoundland soil in the same sense that they were before—and whether a change in the situation would possibly warrant a change in the agreement.



Those conversations have been going on for some time because this is a very difficult and complicated matter, and it has been referred to the Permanent Joint Board on Defence, Canada-United States, for recommendations.

A meeting of the board was held a couple of weeks ago in Montreal when this matter was discussed, and recommendations have been made to both governments, and I am in a position now to express on behalf of the Canadian government our satisfaction with them. There may be one or two details which will require further consultation and discussion with the United States, but by and large we consider the recommendations are satisfactory.

Mr. STICK: The negotiations are proceeding satisfactorily?

Hon. Mr. PEARSON: Yes.

Mr. FLEMING: May I take a long jump now from Newfoundland? Perhaps the minister would not care to answer the question, but I would like to ask him what information the department has with reference to the alleged presence of Soviet troops, or training personnel or advisers in China assisting the forces of the communist Peking government.

Hon. Mr. PEARSON: We have not very much information as to the presence of Soviet troops, Soviet officers or Soviet technicians in the communist Chinese armies that led to the overthrow of the nationalist rule on the continent. There is no doubt that those Chinese communist armies received assistance from the Soviet; there is also no doubt that there has been a good deal of help from the nationalist forces. I do not want to be misunderstood in saying that. I mean a great deal of their equipment had been originally equipment of the nationalist forces and the evidence shows—information was given last autumn at the United Nations—that the communist forces were armed with a variety of weapons, Japanese, Russian and American, so it possibly would not be correct to say that Russian direct military assistance of itself determined the issue of that particular struggle. That is a matter of opinion. I do not happen to think that that was the case.

Since the establishment of the communist government at Peiping we are not able, of course, to get very much information on what is going on; we do not recognize that government and though we have representatives in Nanking still, and in Shanghai, they are not accredited to that government and naturally you would not expect them to be in a position to get very much information. It is quite clear, however, from information in the possession of various people, received from a variety of sources, that recently there has been some movement of Soviet technicians to the assistance of the communist Chinese government, administrative technicians and other kinds of technicians, and some of the fighter planes that have been appearing in the air over Shanghai and Nanking to take on the nationalist bombers are Soviet type fighters, Soviet jet fighters. They are not manufactured in China.

Mr. FLEMING: You have information that you accepted to the effect that there are Soviet manufactured planes participating in those operations?

Hon. Mr. PEARSON: Yes, the Chinese armies on both sides are using planes that are not made in China. In fact, I do not think any planes of that type are made in China. There are Soviet planes being used by the communist forces.

Mr. COLDWELL: Both sides are using American planes, are they not?

Hon. Mr. PEARSON: I do not know.

Mr. COLDWELL: I mean planes that were captured.

Hon. Mr. PEARSON: Possibly. I think I read something the other day, along the lines of what you said just now, that the nationalist armies surrendering are taking their equipment with them.

Mr. FLEMING: How is the Canadian government handling its relations in Nanking, Canton and Shanghai?



Hon. Mr. PEARSON: We have no one in Canton, we never had a representative there.

Mr. FLEMING: No trade representatives there?

Hon. Mr. PEARSON: No. We have a Consul General in Shanghai. Until recently we had a trade commissioner there. We have now a Consul General and I think a Vice Consul. They are carrying on as normally as possible in the circumstances, but the circumstances are not too pleasant. They are living in a country, the de facto rulers of which we do not recognize. That hampers their activities to some extent. They have been treated quite correctly, and have had no particular trouble in that respect. They are able to do in Shanghai certain consular work; they have been able to help Canadians get out of China. We had hopes they would have been able to get some Canadians on a ship which was recently going in to evacuate Americans but it did not quite actually get into Shanghai because it was not permitted to do so. Our chargé d'affaires is still living in Nanking.

Mr. GRAYDON: Who is our chargé d'affaires there?

Hon. Mr. PEARSON: A gentleman by the name of Mr. Chester Ronning, who has lived in China many years, speaks Chinese, is a Chinese expert and has been in de facto touch with the government of Peking. We are getting mail in and out. When I was in Hong Kong I was able to telephone our Consul General in Shanghai without too much difficulty. I suspect he was not the only person listening, but I do not know.

The CHAIRMAN: Have you any reports on the missionaries that are left on the Asiatic continent in China?

Hon. Mr. PEARSON: Yes, we have reports. I have the number of Canadian missionaries that remain in China. We have been in touch with those who are left and we did our best to call their attention many months ago to the difficulty and possible dangers of the situation and gave them every opportunity to leave China, if they so desired. They did not take advantage of that opportunity.

Mr. BENIDICKSON: What specifically did the department do in that connection?

Hon. Mr. PEARSON: I have the figure here that was asked for by the Chairman. There are about three hundred Canadians now in China. That number includes the missionaries and their families.

I am not sure whether I can state offhand the specific steps we took to facilitate their exit from China. We sent a destroyer out there about a year ago and we have helped Canadians to get transportation on other ships going out. We were then in touch with the Chinese authorities to expedite their exit. We did our best to help them—that is what our people are there for—but most of them decided to stay on the job.

Mr. BENIDICKSON: You said you did your best and I just wondered if you could elaborate.

Hon. Mr. PEARSON: Offhand I cannot.

Mr. Mutch: Is it correct, Mr. Chairman, that more recently than that, permission has been given for additional missionaries to enter China in the last couple of months.

Hon. Mr. PEARSON: The last information I had regarding missionaries returning to China was that it was impossible to get permission from the communist authorities for their return. Now, that was about a month ago. I got it from the heads of one of the religious missionary organizations. They came down to see if we could do anything to help their missionaries here to get back to their posts in China, but we were unable to do anything.

Mr. MUTCH: But the refusal comes from China, not from any unwillingness on the part of the Canadian government?

Hon. Mr. PEARSON: Oh, no, it arises out of the fact that the Chinese authorities will not let them back in.

Mr. FRASER: What do those who are in there now do for supplies and money from home, or do they get anything?

Hon. Mr. PEARSON: Well, I do not know how they actually get their money or whether they are getting any money from home. I suspect there are ways of getting money into China but I do not know anything about it.

Mr. FRASER: It would have to be smuggled in, the authorities would not give permission, would they?

Hon. Mr. PEARSON: I just do not know how it is done.

Mr. STICK: According to the latest news there is quite a bit of smuggling going on between Canton and Shanghai.

Mr. BREITHAUP: Have you any idea from information in your department as to how the missionaries are being treated?

Hon. Mr. PEARSON: Yes, we have had reports. In some parts of China it seems that they have had difficulties but most of the reports indicate that they now are being correctly treated and are able to carry on their activities.

Mr. HANSELL: Are there very many who insist on staying regardless of any advice they might have to return?

Hon. Mr. PEARSON: Oh, yes, those who are there now have received advice from us that in the circumstances we thought they should come home but missionaries do not leave their posts normally.

Mr. HANSELL: How many are there?

Hon. Mr. PEARSON: About three hundred remain in China. How many are missionaries, I do not know—

Mr. FLEMING: Was there not some information passed out by the new communist regime that those who left would not be permitted to return but that those who remained would be permitted to remain?

Hon. Mr. PEARSON: I think that is the case, and we have had from the missionaries, at least in west China, no complaints of bad treatment or of inability to carry on their work.

Mr. COLDWELL: There are British diplomatic representatives in China?

Hon. Mr. PEARSON: Yes.

Mr. COLDWELL: Do they look after our people at all? Is there any reciprocal co-operation?

Hon. Mr. PEARSON: There have not been any instances of that kind as yet that I know of. The British have not yet actually established a British representative in Peiping. They are still negotiating. I do not think there are British consuls in west China.

Mr. McCUSKER: May I ask the minister a question—

Mr. BATER: Is it known, Mr. Pearson, to what extent the Russians have laid foundations in connection with their industry and commercial activities?

Hon. Mr. PEARSON: No, it is not known in any detail or with very much authority. It is very difficult to get an exact picture of Russian activities in China at the present time. We have some information and that indicates that Russian technicians are helping not only the Chinese army but Chinese industry and they are moving in, but as far as we can gather not in any great number. The Russians are short of good technicians at home, China is a big country, and it is not being overrun by Russian technicians as far as we can gather.

Mr. GRAYDON: Not yet.

Hon. Mr. PEARSON: Not yet, but whether it will be or not, your guess is as good as mine.

Mr. STICK: Mr. Pearson, you said we have our consul as Nanking and the United Kingdom government has no consul there. I take it for granted that if a British subject other than a Canadian applied for assistance to our consul we would help him as far as we could.

Hon. Mr. PEARSON: Our general rule is that as we have received great assistance from British consular offices all over the world, whenever we are in a position to reciprocate we ought to be happy to do so. In the situation you mention, however, we are not in a position to do very much because our man is not accredited at Nanking.

Mr. STICK: But in the ordinary course he would advance help?

Hon. Mr. PEARSON: He would do anything he could.

Mr. COLDWELL: What about the question of a recognition of China?

Hon. Mr. PEARSON: That matter is still under consideration. That is about all I can say.

Mr. COLDWELL: There are three classifications of that.

Hon. Mr. PEARSON: One of the aspects of the question which causes a certain amount of hesitation is the difficulty of those who have recognized communist China in establishing effective diplomatic contacts there. I think it is true to say that the United Kingdom government have not yet succeeded in getting an ambassador in Peiping and they recognized the communist government of China last September.

Mr. COLDWELL: I was thinking of all the western nations cutting themselves off.

Mr. BENIDICKSON: Since the war, what gifts of money or material has Canada made to the Chinese government, if any?

Hon. Mr. PEARSON: Well, we participated in U.N.R.R.A. and U.N.R.R.A. did some good work in China and part of the relief of U.N.R.R.A. came from Canada. We extended a credit to the nationalist government after the war of, I think, some \$60 million.

Mr. BENIDICKSON: When was that?

Hon. Mr. PEARSON: That was in 1946.

Mr. GREEN: Has that been written off?

Hon. Mr. PEARSON: We still recognize the government to which that credit was advanced.

Mr. GREEN: But has that loan been written off?

Mr. COLDWELL: Has all the credit been used up?

Hon. Mr. PEARSON: No, there is an amount outstanding in that loan now of about,—I think before I start tossing off these figures I had better find out what they are, but I only know that the total amount was \$60 million and some of that is still outstanding. How much, I do not know.

Mr. COLDWELL: Could you give us a breakdown?

Hon. Mr. PEARSON: It would be quite simple to get that information.

Mr. COLDWELL: How it was used up, in food, munitions, or otherwise?

Hon. Mr. PEARSON: Yes. I hope I can get the information, but as to the breakdown, would it possibly not be better to reserve that for another meeting?

Mr. GREEN: What help is Canada going to give to the countries in southeast Asia who are standing against communism? There was some discussion at the Colombo conference about giving help to those nations but there has never been any statement as to what Canada is prepared to do.



Hon. Mr. PEARSON: There has never been any statement as to what any of the countries have been able to do or will be able to do to help southeast Asia. That is one of the reasons why we are having this meeting at Canberra, to go into the matter in greater detail than we did at Colombo and to see in fact what we can do. Now, when you relate our own resources, which will be available for this purpose, to the immensity of the problem, it gets a little depressing; but there are some things that can be done out there without too great expenditure which might be very valuable. We have some ideas on that and we are going to try to discuss those ideas at Canberra.

There is another complicating feature, though, in regard to aid to southeast Asia. There are other agencies interested in this problem and we must be careful in these matters not to set up too many organizations and make the machinery too complicated. The United Nations have a commission for southeast Asia and they have been investigating the situation out there for some time and they have produced reports which in great detail explain the problem. The "Point four" program of the United States will be for southeast Asia as well as for other parts of the world. The I.L.O. office have been investigating what can be done out there, so has the Food and Agricultural Organization been investigating what can be done to increase food production. There can be nothing much more important than that, over there. Now, we should not only do what we can in the commonwealth, but we should make sure that the commonwealth activities do not get in the way or overlap with those being carried on in other places.

Mr. GREEN: Is there not a time limit? If this help is not given at an early date it is very likely to be useless?

Hon. Mr. PEARSON: That is true, but the giving of international help in this way is usually a pretty difficult thing to arrange and usually takes a certain amount of time—sometimes it takes too long. A great need out there at the moment, and which might be satisfied with the least possible delay, would be the supply of technical assistance. Now, it would not cost very much to set up under the commonwealth or United Nations auspices an institute of hydraulic engineering or irrigation for a country like Pakistan to teach people how to carry on the irrigation and engineering schemes which are so important to them. That might be the centre for that kind of thing in the whole of south east Asia.

Nothing could be of more importance to India than the establishment of a commonwealth institute of food in New Delhi from which all southeast Asia countries might benefit. In Indonesia, there are 63,000,000 people who have recently gained independence. I was told, when I was out there, that their greatest difficulty is to get trained administrators. An institute of public administration in Indonesia, under United Nations auspices, or international auspices, or commonwealth auspices, might be a very great help. That is the kind of thing we have in mind.

Mr. GREEN: Is Canada prepared to send out technical assistance of that kind right away? I wonder; because, as far as I know, there is no provision being made in the estimates for any such expenditure and, once the House has adjourned, will it be possible for any steps to be taken to help these people until the next year?

Mr. STICK: That problem is all wrapped up with the problem of education in the east. If you send out technical experts to teach and if the populace has not got the proper standard of basic education, you are not going to get very far. It is all wrapped up in education.

Mr. GREEN: I wonder if I might have an answer to my question?

Hon. Mr. PEARSON: Well, we have had one or two specific inquiries from some of the countries out there for expert assistance already, in connection with fisheries. The Department has been looking into the question of supplying fisheries experts for two countries out there. It was not easy to do in a great hurry,

because our experts are pretty well occupied here on fisheries matters and, while the department concerned considered this, one country got experts from Norway and those experts are already on the scene in that particular country. They usually ask four or five countries—and they are well advised to do so.

Mr. GREEN: Has Canada sent out any assistance at all to date?

Hon. Mr. PEARSON: I do not know of any such assistance that has gone to those countries in the last six months. We have sent people out to Pakistan and India for other purposes—not for the kind of work that I have been discussing but we have observers—United Nations observers—helping to see that the truce is observed between India, Pakistan, and Kashmir. I think Canada has more observers there than any other country.

Mr. GREEN: That is not the kind of thing I meant.

Hon. Mr. PEARSON: No, but it is assistance.

Mr. GREEN: No, I refer to the type of assistance which you referred to a moment ago.

Hon. Mr. PEARSON: No, I do not know of anybody going out since the beginning of the year to provide for the service which we have been discussing.

Mr. BENIDICKSON: When you say you have requests for technical assistance in those countries, do you mean that they have asked for the temporary release of people working for our government so that those people can take over the problems in those countries?

Hon. Mr. PEARSON: Either that or that we should get people to go out there and take long-term contracts—not necessarily people from the government but from private agencies—the universities and that sort of thing.

Mr. BENIDICKSON: They do not suggest that we pay their salaries?

Hon. Mr. PEARSON: No.

Mr. BATER: Are there any openings there for our own young people who have graduated from D.V.A. schools and generally from the war assistance program?

Hon. Mr. PEARSON: I am not qualified to say very much about that but we have received students from Pakistan and India at some of our institutions.

Mr. GREEN: How many have we had?

Hon. Mr. PEARSON: I do not know, but I have seen them.

Mr. STICK: They have been coming here for years.

Mr. McCUSKER: What has happened to all the English civil servants out in those countries?

Hon. Mr. PEARSON: A lot of them are living on their pensions.

Mr. McCUSKER: Can they not be brought back from pension?

Hon. Mr. PEARSON: Some of them are still living out there.

Mr. PICARD: Do you mean that India and Pakistan would prefer to get Canadian technicians to replace the British technicians and do you mean that Indonesians would prefer to get Canadians than Dutch people? Did they not have technicians with the former governments who co-operated with the local population? Did they not have any technicians who might have helped them to launch these programs?

Hon. Mr. PEARSON: Yes, they had, but they were short of them and when the political situation changed some of them, when the colonies became independent, took their pensions and retired.

Mr. PICARD: Those countries would rather see our people?

Hon. Mr. PEARSON: Those countries may be more conscious of their needs now that they are responsible for their own affairs.

Mr. McCUSKER: I would like to ask one question—it will not take long. I notice from a press despatch that a shipment of Czech cars coming to Canada has been sabotaged. I wonder if that was part of the cold war and whether there is likely to be any international complication?

Hon. Mr. PEARSON: It has not caused any international complication that I know of. I have no knowledge of it beyond what I read in the press. I do not think that it has been brought to our attention by the Czech government.

Mr. GRAYDON: I do not want to leave this subject, but might I revert to China once more. I think that everybody in Canada is gravely concerned over the recognition of the communist government and there are one or two things that might be cleared up as far as the public mind is concerned. I understand that the British recognition arrangements, exchange arrangements, have been held up rather largely because of the rather onerous conditions which have been placed upon that recognition by the Mao government in China, and the British government people have almost had to undergo an entrance examination to enable them to qualify for exchange. But one thing concerning some people is this. Has the government given any consideration to the position of those of Chinese extraction in Canada? What effect would recognition, if it comes, have on these people who are here and, on that point, may I ask the minister whether or not any representations have been made or any exploratory discussions held with the Chinese in Canada as to their position, as far as recognition is concerned?

Hon. Mr. PEARSON: Yes, I have had some discussion with Chinese Canadians who have come to Ottawa to discuss with me, as representing the government, their preoccupation about this question of recognition. The position of the Chinese in Canada, naturally, is one factor in this problem. If they are Canadian citizens, of course, it should not be a factor of any great importance because they are Canadians. Some of them are not Canadians and they are naturally exercised in one way or the other over the effect of recognition. You mentioned the British being asked to pass an entrance examination—and “entrance examination” is a good expression in this particular case—before they could get into Peking. There was some additional complication about their position because they owned a compound in Peking. I think there was a long discussion which is still going on about their property there. That has been a difficulty and it has caused some other countries to hesitate even longer than they might have hesitated about recognizing this government.

On the other hand it is true to say that the Indian ambassador is functioning in Peking—I call it Peking although that is the old-fashioned word. I think the Netherlands and Sweden had a little difficulty in clearing away difficulties before the exchange of diplomatic representatives took place.

Mr. GRAYDON: Have we any liaison with the Indian ambassador in China as far as Canada is concerned?

Hon. Mr. PEARSON: No, but we were in close touch with the Indian government while they were negotiating with the Chinese, because we were interested in their experience.

Mr. GREEN: What is the position of most Chinese in Canada? Are they supporters of the nationalist regime? My understanding is that there are few who support the communist regime?

Hon. Mr. PEARSON: I do not know, but certainly those I have talked to have not been supporters of the communist regime.

Mr. HANSELL: Is the present communist government particularly anxious for recognition? Is not the play being made on behalf of other nations?

Hon. Mr. PEARSON: I am not in a position to assess their anxiety or non-anxiety in regard to Canadian recognition. However, they notified us very



shortly after the establishment of their government—and that was of course their claim for recognition. I believe it was last December.

Mr. BENIDICKSON: What controls are there on the export of arms from this country?

Hon. Mr. PEARSON: Arms cannot be exported without a permit from the government and, in cases where the export is of any considerable quantity, the question is given pretty careful examination by the officials of External Affairs and other departments concerned and then it goes to the cabinet—I refer to each individual request.

Mr. BENIDICKSON: Is there any statute that covers the conduct in this matter?

Hon. Mr. PEARSON: I do not think it is a statutory requirement; I think it is a matter of government policy that no export will be permitted without a permit which is given or refused after consideration by the government.

Mr. GREEN: Are we not exporting arms to both sides?

Hon. Mr. PEARSON: Where?

Mr. GREEN: To China?

Hon. Mr. PEARSON: No.

Mr. GREEN: Which side?

Hon. Mr. PEARSON: We have never exported any arms knowingly to the communist forces in China. We have not exported any arms to the nationalist government of China—at least since last autumn. I think it was last September that we stopped.

Mr. BENIDICKSON: When you say “we”, are you referring to the government making the shipments?

Hon. Mr. PEARSON: No, permits were given for the shipment of arms from Canada to China.

Mr. CÔTÉ: Was that policy based on the necessity of piling up our own material?

Hon. Mr. PEARSON: The necessity of what?

Mr. FOURNIER: Keeping our stock for ourselves?

Hon. Mr. PEARSON: No. The reason for not shipping arms to the communist organization in China is obvious. I do not think that we need go into that. Last autumn—I have not the exact date in mind but I think it was in September—the deterioration of the nationalist forces was such that we thought there was a probability of them being driven out of China; and that is what soon happened. It seemed certainly undesirable to ship arms to an army in that condition.

Mr. FOURNIER: Are we shipping other supplies to the nationalist authorities?

Hon. Mr. PEARSON: I do not know.

Mr. FRASER: We are not advancing any money to them?

Hon. Mr. PEARSON: When I say “we”, the government has nothing to do with ordinary commercial shipments to China or to any place else. Whether Canadian shipments are going to Formosa or continental China I do not know.

Mr. FRASER: We are not advancing them anything now—any money?

Hon. Mr. PEARSON: No.

Mr. FRASER: Then nothing can go unless it was advanced?

Mr. RICHARD: It could be sent by private companies?

Hon. Mr. PEARSON: Private barter arrangements or something of that kind might be possible.

Mr. FRASER: But the funds would have to be supplied here?

Hon. Mr. PEARSON: I do not know of any technical reason why there could not be an exchange between a private merchant in Canada and a Chinese merchant in Formosa, if they could work it out.

Mr. PICARD: Are there rules governing this granting of permit for export of arms or is it left to the discretion of the government?

Hon. Mr. PEARSON: Each application is considered on its merits.

Mr. PICARD: And by which agency of the government?

Hon. Mr. PEARSON: The recommendation usually is made after the Department of Trade and Commerce of External Affairs and the Department of Trade and Commerce and that recommendation, except in very minor shipments, goes to the full cabinet.

Mr. PICARD: No definite rules apply; it is a question of judgment on the part of the government?

Hon. Mr. PEARSON: It is a question of judgment.

Mr. FRASER: That would have to go to the export board, would it not? Would it not have to go before the export board to get a permit?

Mr. STICK: That would be to Trade and Commerce.

Hon. Mr. PEARSON: I am going to ask Mr. Moran to explain the technical requirements which must be fulfilled before this matter reaches the government's consideration.

Mr. MORAN: There is an export-import act to which I think there were some amendments made at the session of parliament last year. Under that act there are certain classes of commodities which require export permits. The shipper of any such items must apply to the export permit branch of the Department of Trade and Commerce. Under the regulations of that office specific types of commodities are referred to the Department of External Affairs for consideration. Of these there are categories which must be referred to the government before approval can be given. All items of military equipment are in this category.

Mr. FRASER: May I ask a question there? The application first of all would have to be made to the export board and they in turn would turn it over to the external affairs branch?

Mr. MORAN: There is a form which the shipper fills out and sends to the export branch.

Mr. FRASER: Yes, and the export branch would refer that application to the External Affairs Department, if it was arms?

Mr. MORAN: If it were arms it would fall within the list of categories which require government authority before an export permit may be issued.

The CHAIRMAN: It is after six o'clock, but before we adjourn, I should say that we are all appreciative of Mr. Pearson for the information that he has given. He will be back again this week and, if it is satisfactory to you, I propose that we meet on Friday at 10 a.m.

Mr. FLEMING: That is pretty early.

Mr. FRASER: 10.30 would be better

Mr. JUTRAS: Why not 11 o'clock.

Mr. MUTCH: Two hours is a long enough sitting.

The CHAIRMAN: We will call it eleven. Before we leave, however, I would ask Mr. Pearson to be prepared to make a brief statement on Germany and also on Spain. Germany is divided into two parts and I know that Dr. Gauthier and myself would be glad to hear a discussion on those two important problems.

Hon. Mr. PEARSON: Very well.

The meeting adjourned.









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HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FRIDAY, APRIL 28, 1950

Main Estimates of the Department of External Affairs  
1950-51

The Honourable Mr. Lester B. Pearson

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
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on

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*Clerk.*





## MINUTES OF PROCEEDINGS

FRIDAY, April 28, 1950.

The Standing Committee on External Affairs met at 11 o'clock. Mr. J. A. Bradette, Chairman, presided.

*Members present:* Messrs. Bater, Benidickson, Bradette, Campney, Coldwell, Cote (*Matapedia-Matane*), Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lake St. John*), Hansell, Leger, Low, Mutch, Pearson, Richard (*Ottawa East*), Stick.—18.

Also Mr. R. R. Knight, M.P.

*In attendance:* Messrs. A. D. P. Heeney, H. O. Moran, S. D. Hemsley and F. M. Tovell.

The Chairman referred to the presence of His Excellency, Urho Toivola, Minister of Finland and Mr. H. F. Eschauzier, Counsellor at the Netherlands Embassy.

The Chairman instructed the Clerk to have a re-arrangement of the seating capacity made.

It was agreed to hold the next meeting at 9 o'clock Monday evening, May 1st.

The Chairman gave notice of a meeting of the sub-committee on Agenda for Monday noon at 2.15 o'clock.

### *Item 64—Departmental Administration*

Before proceeding with his statement, Mr. Pearson was questioned on exit permits and passports.

Assisted by Messrs. Heeney and Moran, the Minister supplied answers to questions asked at the previous meeting relating to Canadian loans to China and to Canadian missionaries in China and assistance to students in the Far East. He was further questioned thereon.

The Minister made a statement on Germany and was questioned. He was also questioned on Canada's diplomatic representations, on trade with Japan and the alleged dumping of Japanese goods, and on Austria.

Mr. Pearson deferred his statement on Spain until May 1st.

At 12.45 the Committee adjourned until Monday evening, May 1st at 9 o'clock.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## EVIDENCE

HOUSE OF COMMONS,

April 28, 1950.

The Standing Committee on External Affairs met this day at 11 a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we will now come to order. It is a great pleasure indeed for me as your chairman to see so many members who have found it possible to be here today. I know perfectly well that it is a great strain on members when they have to attend so many committees during the week. I might mention briefly that I noticed last week in the committee quite a few members who had no seats around the table, so I am asking Mr. Cardinal, the appropriate official of the House, to change our present mode of seating so as to allow for sufficient table space for all the members. I hope that will be satisfactory to you.

Now, two days ago Mr. Graydon asked me whether the committee would consider it in order to allow the discussion on the Fuchs question to be left in abeyance until he comes back to Ottawa early next week. Speaking personally, I said to Mr. Graydon that I was in favour of leaving the matter over until our main meeting next week. Will that be satisfactory to the committee?

Agreed.

Mr. FRASER: When will the first meeting be held?

The CHAIRMAN: I should like to have it held at 9 o'clock on Monday evening. We have been requested by the chairman of other committees to stagger our meetings and we will do all we can to accommodate them because they are doing their best to accommodate us.

Mr. FRASER: Why should we sit at 9 o'clock?

The CHAIRMAN: I understand Mr. Pearson will be away during the day and it will be impossible for him to be here before 9 o'clock in the evening.

Mr. FOURNIER: What is wrong with sitting on Tuesday next? Usually all the members from Montreal are back on Tuesday.

The CHAIRMAN: They are generally back on Monday, so as to keep away from their constituents.

Mr. FOURNIER: Would it not be possible to meet on Tuesday?

The CHAIRMAN: It is almost impossible due to the fact that there are so many committees sitting on that day. In accommodating them by sitting on Monday they will accommodate us and allow us to sit on Thursday for our second meeting.

Mr. FOURNIER: This Monday meeting would have to be at 9 o'clock in the evening, would it?

The CHAIRMAN: Yes, because it would be almost impossible for Mr. Pearson to be back here before that time.

Hon. Mr. PEARSON: I have the answers to points that were raised the other day in connection with this matter and I expected to give those answers today. I should like to be here when this Fuchs matter comes up, just as Mr. Graydon



would like to be here, but I have to go to the National Defence College on Monday afternoon, and that is why I shall have difficulty in getting back to Ottawa before 9 o'clock in the evening.

Mr. COLDWELL: Could you not have the answers put on the record and discuss them later?

The CHAIRMAN: The request was made to me by Mr. Graydon, who has always co-operated fully with us under all circumstances. What do you think of that, Mr. Fraser, would it be in order for the minister to make a brief presentation or should we wait?

Mr. COTE: Why not have one meeting on Thursday or Tuesday?

The CHAIRMAN: I believe we agreed we were going to have our next meeting at 9 o'clock on Monday.

Mr. COTE: We had better have one good meeting than two not so good.

The CHAIRMAN: I am sure we can have two good meetings a week.

Mr. DICKEY: I am in favour of Mr. Graydon's request that we leave the whole matter over until the first of next week.

The CHAIRMAN: I would like to give notice to the steering committee that it will meet in my office at 2.15 next Monday. Now, I will ask Mr. Pearson to proceed.

Mr. COTE: If I might be permitted I would like to ask a question. I do not know whether it is a question that is in order, but I think it is emergent and I would like to have it cleared up because of what has been said in various newspapers. I am referring to the exit permit which was granted to Tim Buck by our government to go to Czechoslovakia or Hungary. There has been quite a lot of speculation on this matter, and this may not be the proper time to bring it up, but I wonder if the minister would be kind enough to give to the country and to the newspaper men the actual score on that matter?

Hon. Mr. PEARSON: Mr. Chairman, I can give information on that point. I noticed in the press the other night the statement that the government had given an exit permit to Tim Buck to go to a communist meeting, I think, in Hungary. But that is not the case. Exit permits are not granted nor are they required for people to leave Canada. The government does not give exit permits, so that matter does not arise, and any statement that we gave Tim Buck an exit permit is, therefore, inaccurate. It is true that Tim Buck left Canada some time ago, and I believe it is also true he has been attending some communist meetings.

Mr. COTE: It is a good thing he has gone.

Hon. Mr. PEARSON: It might be a good thing if he left for good. However, Tim Buck did, I believe, travel on a Canadian passport, and the question has arisen as to whether we issued a Canadian passport to him for that purpose. The reply to that question is that we did not. Tim Buck has a Canadian passport which was issued to him as a Canadian citizen on January 14, 1947. He had a passport before that issued to him in July, 1936, and when that ran out he got a passport in 1947 which I assume he now possesses, and he is travelling on that Canadian passport.

Mr. COLDWELL: That was renewed, I suppose?

Hon. Mr. PEARSON: It has not been renewed since it was issued.

Mr. COLDWELL: I was thinking of the passports we have now.

Mr. FRASER: He got it in 1947 as a Canadian, as a British subject—he got the Canadian passport in 1947.

Hon. Mr. PEARSON: I do not know why he asked for another one in 1947; the first one he got was in July, 1936, and I believe a passport is valid for ten years.

Mr. LEGER: Five years.

Hon. Mr. PEARSON: His first passport was out of date so in 1947 he asked for another passport. He has that passport now so the question of issuing another one does not arise.

Mr. COLDWELL: If the question did arise, Tim Buck being a Canadian citizen not engaged in the country in any activities that would be considered to be illegal—we are not in the position of the iron curtain countries—I do not see how a passport could be refused.

Hon. Mr. PEARSON: Well, no Canadian citizen has a right to a passport; the granting of a passport is a prerogative act. Normally it has been the practice of all governments in Canada in modern times not to refuse passports to persons for any political reason; that has been the normal practice.

Mr. FRASER: Do you not think, Mr. Pearson, it is just as well to let him have a passport and keep him out of the country as much as possible?

Mr. COLDWELL: I think the very fact that he attended this meeting in Hungary at which there was a big military parade and so on, indicates the hollowness of the peace campaign those people are conducting in this country, and that parade was a good demonstration to give to the Canadian people.

Mr. STICK: I suppose you have nothing further to add on this matter of passports?

The CHAIRMAN: The order of reference today has to do with the discussion on Germany.

Mr. COTE: I asked to have that matter wait for the purpose of clarifying this other matter. Now, apparently, it was admitted that the questions should be asked and answered, and I would like to have this matter clarified by the minister for the benefit of the press, both English and French. This matter is displeasing to a great many people. The minister was kind enough to answer the question and I think he should be allowed to clarify the situation.

The CHAIRMAN: The question was perfectly in order, and until everyone is satisfied that it has been properly answered it is still open for discussion. However, I did mention to the minister the order in which he would proceed at the present time, and if that is satisfactory to the committee I will ask Mr. Pearson to proceed.

Hon. Mr. PEARSON: Mr. Chairman, I thought that I should deal with some points that were raised at our last meeting, exclusive of the Fuchs case. I shall try to answer those points now. The first question that was raised and which was not dealt with fully by me at the last meeting was the question of the Chinese loan. Possibly I can put the details of that matter on the record.

Under the financial agreement entered into on February 7, 1946, and a supplementary agreement signed on May 28, 1948, a credit, not to exceed \$60 million was made available to the government of China to be utilized up to the 31st of December, 1948. \$35 million of this credit was to be available to purchase Canadian goods and services for reconstruction and other general post-war purposes in China. The full amount of this portion of the credit had been advanced at the termination of the agreement on December 31, 1948. This \$35 million was used in payment of the following types of goods and services:

Wheat, wheat flour, other grains, lumber, pulp and paper, machinery, iron and steel products, non-ferrous metals and products, electrical appliances, fertilizer, coal, freight, commissions, insurance, etc.

Mr. COLDWELL: In other words, peacetime goods?

Hon. Mr. PEARSON: Yes.

Mr. BENEDICKSON: None of these are armaments?

Hon. Mr. PEARSON: No. These were supplies made for the reconstruction of China after the war.

The remaining \$25 million portion of the loan was limited to purchases of commodities originally requested by China under mutual aid and other surplus war supplies. Of this \$25 million credit, \$16,037,091.15 had been advanced at the termination of the agreements on December 31, 1948, and that amount was used for the purchase of the following types of goods:

Ammunition plant, surplus ships, conversion and related services, small arms and ammunition, aircraft (including parts and supplies), machinery, electrical appliances and batteries, copper wire, miscellaneous, freight, insurance, etc.

Of this \$16 million a good deal of it apparently was spent in respect of armaments and ammunition and that kind of thing out of surplus supplies which we had, previous to the end of the war, been sending to China under mutual aid. The total advanced under this loan up to March 31, 1949, amounted to \$51,037,091.15, leaving unexpended \$8,962,908.85.

Mr. LEGER: May I ask this question? Were most of these munitions and aircraft in Europe at that time?

Hon. Mr. PEARSON: No, this material came out of surplus war stocks in Canada. Since last September we have not shipped any ammunition to China.

Mr. COLDWELL: I suppose the goods would be sold at prices normally expected for supplies of that sort?

Hon. Mr. PEARSON: That is right.

Mr. DICKEY: Did this agreement terminate because of the expiration of a certain time limit or because of some action of the two governments or one government?

Hon. Mr. PEARSON: The agreement itself included a time limit, and the date for the termination was December 31, 1948. That is the first part of the agreement. As regards the second part of the agreement which covered munitions and military supplies I have mentioned that it had no time limit but the government itself ceased shipments under that agreement in September, 1949.

Mr. RICHARD: Because of the turn of the war?

Hon. Mr. PEARSON: Because it seemed to be no time to be sending arms to China. At that time I recall representations were made to us by the Chinese government that we should not take that action, but the government decided that in the circumstances it was wise to do so.

Mr. BATER: Is this credit cut off now?

Hon. Mr. PEARSON: Yes.

Mr. HANSELL: What are the prospects for the repayment of this loan? Are we going to write it off as a bad debt?

Hon. Mr. PEARSON: I think we had better not anticipate much repayment of this loan. I think the loan is actually now technically in default.

Mr. RICHARD: It is not the only one of its kind.

Hon. Mr. PEARSON: A question was asked concerning Canadian missionaries in China, and I am able to give a little more information now than I was able to the other day. Canadian missionaries in China can receive money from Canada by a bank draft sent through authorized banks in China. The rate of exchange in Chinese currency is unfavourable and unrealistic, and that had often been the case during recent years. The national government blockade of the mainland ports in China had made it difficult for commercial supplies to be shipped into the country. A certain quantity gets through, however, from Hong Kong by rail and from the northern ports of Tsing-Tao and Tientsin.



There are stringent regulations, and travel into and out of China by foreigners has been very much restricted, but communication by mail to all parts of China is now possible.

Mr. FRASER: Is the mail going through under the same agreement that we had before with the national government, or is there a different agreement?

Hon. Mr. PEARSON: No, there has been no special mail agreement; mail is going through in the ordinary course.

Mr. COTE: Could the minister give a supplementary answer to what he has already said, about the Red Cross; whether they have ways and means of proceeding with their program even with the change in government?

Hon. Mr. PEARSON: I have no knowledge, Mr. Chairman, about the present position of the Red Cross in China and whether they are able to operate under the present regime or not. I would like to look into that and see if I can get some information.

Mr. COTE: My information is that they have had other ways and means to operate the way they want to. There is the case, for instance, of a person coming from my riding, and through the Red Cross he was able to get back. I would like to know if that is a particular case or if that is general. I would not like to judge from one particular case, but from that case I would imagine that if this man had been able to get what he wanted someone else might have had the same opportunity.

Hon. Mr. PEARSON: We can find out how the Red Cross is operating in China at the present time, and we will try to do so.

There were some questions asked the other day with respect to Canadian assistance to students from the Far East. At that time I was unable to give much information on that question except in a very general way. I have learned that we have under scholarships offered by the National Research Council four scholars from India and Ceylon in Canada at the present time, and under other fellowships there are eleven scholars from the Far East.

Mr. STICK: Are they for special courses?

Hon. Mr. PEARSON: They are doing in most cases technical advanced study. They are in power stations, power companies and aluminum companies. I met one last year at the Ontario Hydro Electric plant at Niagara.

Mr. STICK: As a matter of fact, many of these students have been coming to Canada and to the United States for years to study forestry and subjects like that.

Hon. Mr. PEARSON: There are other students who come on their own. Those I am referring to are students on scholarships offered by the National Research Council of Canada or by arrangement with the industrial development section of the Department of Trade and Commerce; and there are two students on United Nations fellowships and nine on C.C.R.U. fellowships.

Mr. COLDWELL: What facilities now exist for the wives of Canadian citizens of Chinese origin and their families to get permission to come to Canada under the disturbing conditions in China? There are still a number of people of Chinese origin who are Canadian citizens who find it difficult to get their wives and families here, and I was wondering how that was being handled at the present time.

Hon. Mr. PEARSON: Well, I know that when I was in Hong Kong there were a great many persons in that category who were awaiting transportation to Canada. We have an immigration office in Hong Kong which clears these people as rapidly as possible if they fall within the approved categories of immediate relatives of Chinese Canadian citizens. The difficulty is to get transportation for them, but they are coming in.



## STANDING COMMITTEE

Mr. COLDWELL: There are facilities, are there?

Hon. Mr. PEARSON: Yes, there are facilities.

Mr. COLDWELL: But they have to go to Hong Kong first?

Hon. Mr. PEARSON: They have to go to Hong Kong first. We have, as I said the other day, offices in Nanking and Shanghai which operate to a certain extent, but they must go to Hong Kong before they can be cleared to Canada.

Mr. FRASER: I find that if they have the money to fly to San Francisco that they have a much better chance of getting here rather than waiting for boat. I have had a number of them come to Peterborough, and the immigration officers have been very kind and have helped them in every possible way.

Hon. Mr. PEARSON: Our immigration officer in Hong Kong is really swamped with applications. He is carrying on under difficult conditions.

Mr. COLDWELL: How large a staff has he?

Hon. Mr. PEARSON: He has a very small staff.

Mr. COLDWELL: Well, he is not in your department; but the staff might be enlarged.

Hon. Mr. PEARSON: I think it might.

Mr. FRASER: I think some of the trouble was that they had difficulty in this respect, that an application comes over for a child or a wife and then the authorities over there have difficulty in locating just where the party happens to be, and there is a delay in consequence.

Hon. Mr. PEARSON: Mr. Chairman, at the last meeting I was asked if I would make a statement this morning on Germany, and I have prepared such a statement. It is a very important and controversial subject and I shall stick rather closely to my memorandum on it.

Our general policy in regard to Germany has already been outlined in the House of Commons in debates which we have had on external affairs on January 30, 1947, and May 5, 1948. A general view was expressed on those occasions in regard to our policy with regard to Germany, and it still stands. We continue to look for a settlement, a European settlement, under which Germany may resume a peaceful and constructive place in the European and world community as a free democracy. Equally important, it must be a settlement fully equipped with safeguards against the reappearance of the aggressive and tyrannical political and economic forces which twice in twenty-five years have brought so much carnage and destruction to Europe and indeed to the world.

As members of the committee know, Germany, divided and mutilated, is governed at the present time by the Four Powers, the United States, the United Kingdom, France, and the U.S.S.R. Under the Potsdam Agreement their Council of Foreign Ministers was established to prepare peace settlements and to plan the future of Germany. As the Secretary of State for External Affairs pointed out in his statement to the House of Commons on January 30, 1947, Canada does not participate in any way in the Council of Foreign Ministers. Nevertheless, we have been keeping in close touch with the activities of the Council and with developments in Germany through the Canadian missions in Bonn and Berlin. I might say that the mission in Berlin is now in the process of moving to Bonn. From time to time we have conveyed our views on Germany to the foreign office of Paris, London, and Washington, and we hope to be able to continue to do that.

The central question of this complex riddle of Germany, and the most perplexing question of all, is when and how a peace settlement can be made. It is now five years after the end of fighting and no peace settlement has been made nor is one in the offing. The record of the Council of Foreign Ministers is one of almost complete frustration. I think, in the meetings of that council,

you can observe the stubborn and refractory nature of Russian obstruction at its worst. Peace treaties, of course, were signed with the allies of Germany, most of them now the satraps of Russia, but even these are not honoured. The meetings of the Council and their deputies to draft a treaty for Austria now number over 250, and progress there has been almost completely blocked. On Germany, there have been meetings of the Council in London, Paris, Moscow, and Berlin, and they have become increasingly acrimonious and increasingly futile. On such questions as the level of German industry, reparations, the control of the Ruhr, and German frontiers, there was complete failure to find common agreement. Mr. Bevin last May in Paris put forward proposals for German unity which were flatly rejected by Mr. Vishinsky. Last June Mr. Acheson proposed free elections for Berlin and the unification of that city, with the same result. So, there has been practically no progress made in respect of the German peace settlement. It seems to be perfectly clear that the U.S.S.R. will only consider a peace settlement for Germany on its own terms—a settlement which will mean the shackling of political life in Germany and give Russia the opportunity to participate in the industrial potential of the Ruhr, and also the opportunity to dispose as they see fit of German manpower.

Having reached a dead end in this effort to work out a settlement by agreement between the Four Powers, the three western democratic powers were forced to turn to a policy which might result in the stabilization of that much of Germany as lay within their control. As you know, the Federal Republic of Germany was constituted in August last, and agreements made on the International Ruhr Authority, a Military Security Board, and a new level of industry program. Under the present constitution of Germany, embodied in the Occupation Statute and the Basic Law, considerable progress has been made by the Germans themselves towards "earning their way" back to a position where they can resume normal international relations. German production is now reported to be back to the prewar level. A coalition government, democratically elected, rules German internal affairs under the Allied High Commission; and, by the Petersburg Protocol of last November, the commission has agreed to provide for German consular and commercial representation abroad, and to promote German participation in international organizations.

Progress is being made in western Germany toward the integration of Germany once again into international life. The outlines already are discernable, but the situation is still pretty difficult because Germany remains the theatre of a fateful struggle between two conceptions of human organization—the free state and the slave state. It is impossible not to ask one's self what part Germany will play in that struggle. It may well be a very critical part indeed.

I suppose that we have no doubt on our side about what part it should play. The creation of a free and co-operative Germany is a basic policy of all free western states; the problem is how to achieve that goal, or how to convert that principle into a policy. It has been suggested that one way of freeing Europe from the burden of its present position and restoring the sense of actuality and unity to Germany is for the occupying powers to withdraw completely from Germany—the occupying powers, of course, include the U.S.S.R.—and to permit the establishment of a unified neutral German state, economically strong, disarmed and able to contribute by its products of hand and brain to the prosperity as well as the security of the European continent.

No doubt you have been reading about this proposal. It has caused a good deal of attention. That there should be a complete withdrawal of all the occupation forces from Germany, and that Germany should be unified, disarmed, and neutralized, is, superficially, a very attractive idea.

Mr. STICK: Did that idea come from Russia?

Mr. BENEDICKSON: Dorothy Thompson is one of the prime advocates of that.

Hon. Mr. PEARSON: Yes, she is; and the Russians have indicated a good deal of interest in this scheme. Obviously, from their point of view, complete withdrawal would be a great advantage in the cold war.

Mr. COTE: Has Canada expressed itself in that respect?

Hon. Mr. PEARSON: We have expressed ourselves along the line that I am taking now, the desirability of this proposal in theory and the dangers of it in practice, unless it is very carefully conditioned. This proposal for neutralization leaves a good many unanswered questions and I would like to mention a few of them. In the first place it seems to me difficult to see how a country with the immense vitality and productive power of Germany, having as it would extensive foreign trade and external connections, and its historical connections, could ever remain neutral.

The same idea has been put forward in the Pacific—that Japan should remain neutral, and the same answers are given. Germany's political responsibility and philosophy alone would compel it, it is suggested, to choose one or other of the two opposed political systems between which it would lie.

Another more profitable line, to me, is the movement to assimilate or integrate a democratic Germany into the western political system where it could contribute its resources to a collective and co-operative way of life and assume its share of the responsibility for maintaining it.

I myself think that is a better approach to the problem. The withdrawal, the complete withdrawal, at this time from Germany, on the part of the United States, would be withdrawal across the Atlantic ocean; but, on the part of the U.S.S.R., withdrawal would be withdrawal to Poland, which is not so far away. Complete withdrawal of the democratic forces would be withdrawal from the internal life of Germany; but complete withdrawal of the U.S.S.R. would not be withdrawal of communism from Germany.

Mr. COLDWELL: Would not our withdrawal from western Germany have certain adverse effects—

Hon. Mr. PEARSON: I am thinking of an eventually united Germany. I might favour complete withdrawal if the withdrawal were surrounded by conditions which would give Germans complete freedom to choose their own form of government; because, if that could be done, it would not be a communist form of government.

Mr. Low: You have spoken rather hopefully of the fundamental change in the nature of the German people and their attitude toward their own democratic participation?

Hon. Mr. PEARSON: Well I am basing my hopes on the assumption that it is possible to build up in Germany a democratic government which can work with free European democratic governments.

Mr. Low: Yes, but are there signs that the process of democratizing—if you want to put it that way—of the German people is proceeding favourably?

Hon. Mr. PEARSON: There are favourable signs but there are also danger signs. It would be quite surprising, in a country like Germany in the present conditions under which Germans have to live, and with the opportunity afforded by the cold war, if some Germans did not attempt to stir up old ideas and play one party against another and to build not necessarily a communist Germany but some kind of Nazi totalitarian Germany.

Mr. Low: The thing I have in mind is that the people have demonstrated an apathy towards any democratic responsibility—I am speaking of the general run of the people. I am wondering whether they have proceeded with the educational processes to the point where you can say that there is an improvement?



Hon. Mr. PEARSON: There are extremely interesting reports made by the occupational authorities on whether the Germans have altered their views in the matter.

Mr. COLDWELL: How strong are the institutions of democracy, like co-operatives, trade unions and so on? Are they being rebuilt rapidly on a democratic basis?

Hon. Mr. PEARSON: Yes, superficially the structure of a democratic state has appeared, but the great question is how deep is the democratic foundation—and your opinion would be as good as mine.

Mr. COTE: Is UNESCO coping with that situation?

Hon. Mr. PEARSON: Yes. We have a lot of reports from the authorities there which would be very interesting for anyone to read. They are confidential reports, but they are not confidential to members of parliament who would like to read them.

Mr. COTE: I would very much like to do that.

Mr. STICK: Is not the situation in Germany, with the east and west, something similar to Korea, where the Russians are training large numbers of Germans under Field Marshall Von Paulus, who was captured at Stalingrad, with the idea that if the opportunity were presented they would be able to take over immediately? That is the danger, is it not?

Hon. Mr. PEARSON: Yes, that is the danger and the German Peoples' Police in the Russian zone is Naziism written large. A lot of them are old SS policemen and it is not hard for that kind of black to turn red. We get reports of the strength and development of that Peoples' Police which indicate that it would make a very formidable communist army. There is nothing in the western part of Germany to compare with it—they have police forces but not that kind of police force.

Mr. MUTCH: On balance would it not be fair to say that there is no very encouraging indication that they have either learned or forgotten anything?

Hon. Mr. PEARSON: Well, I do not say that. They did not give the impression of having learned very much after 1919, that is true. But, we made a lot of mistakes in dealing with the Germans after 1919. Also Germany was not destroyed after 1919 and there was no consciousness of defeat in Germany.

I spent a term at Heidelberg university in 1920 and the university students there did not feel that they had been beaten in war. There was no physical destruction of Germany and no invasion of Germany. There were no outward signs of defeat. That is not true today; and that is the big difference between 1945 and 1919.

Mr. MUTCH: The danger is that we must not make the one critical mistake of being blind. We did that before.

Hon. Mr. PEARSON: No, but we ought to avoid some of the mistakes we made in the '20's.

Mr. MUTCH: One is that a German cannot change while he lives?

Hon. Mr. PEARSON: I am one of those people who believe that practically anybody can change.

Mr. STICK: If it suits him.

Mr. BATER: What is the proportion of population as between eastern and western Germany?

Hon. Mr. PEARSON: I will come to that if I may in a moment.

The CHAIRMAN: Would it not be preferable for the minister to carry on?

Hon. Mr. PEARSON: I have not very much more in the way of a general submission. I was talking about the alternative possibilities for the resumption



of the German state in the western democratic or European system. That presents two main problems. First, it is necessary for the western powers to have a clear idea of what the integration of Germany means. It does necessarily mean the same thing in Washington as it does in Paris. There is general agreement on the principle, but there is less agreement on the immediate steps to be taken.

For example, the French representative on the Allied High Commission has appealed the decision of his two partners on the future ownership of industry in the Ruhr. Dr. Adenauer, the Germany chancellor, has called for the integration of Germany and France as a starting point and his appeal has met with the approval of eminent people in Washington and London and, indeed, with the approval of General de Gaulle in France. General de Gaulle, however, did not get very much support for that friendly reaction in France, and the views of the French government are naturally somewhat more cautious. If we lived on the Rhine instead of on the Ottawa we might be a little more cautious with respect to the German people.

Mr. Mutch: It is not quite as difficult as it was?

Hon. Mr. Pearson: No, and there are encouraging signs that Germany and France are coming together. The problem is also full of secondary issues on each of which a co-ordinated plan between the three democratic countries has yet to be worked out. Each nation is primarily concerned with its own special relationship to Germany and it is difficult to find a common formula which takes those special pre-occupations into account. I am thinking of the fundamental difference of approach between the United States and France toward German policy.

There remains in Europe, for all too good reasons an obstinate and lively memory of the horrors of German aggression and temporary ascendancy. Any plan therefore which allows Germany to re-enter the European society must have as its central feature security against a revival of that experience. At the same time there are many who believe that the main hope of gaining that security is to open the doors to a Germany which, by associating with a free world, will become a useful part of it. I do not see any alternative as satisfactory as that.

And so we have the problem of maintaining a balance between security against aggressive tendencies in Germany and the freedom and independence for Germany on which democracy is based. This in effect the German problem. It will readily be understood that for France, for the United Kingdom, and for all the other countries which border on Germany, these matters are of intense and anxious interest. They will be discussed next week by the foreign ministers and, I hope, in the following week by North Atlantic Council.

We have kept closely in touch with German affairs and as I have said the broad principles on which we approach them remain as valid as they were when first enunciated in 1947. But of necessity we are somewhat removed from the feelings and anxieties that fill the air in Europe.

There have been one or two detailed developments in Germany in the last few weeks but I will not go into them at this time. Maybe they will come up in the questioning but there is the question of the Saar which is causing a certain amount of difficulty between Germany and France. France is now responsible for the defence and foreign relations of the Saar, with which it forms a customs and monetary unit. But Germany feels that the Saar should be an integral part of Germany.

The Saar question has created a serious difficulty in Germany where, on April 19th, the Social Democrat Party voted to reject the invitation of Germany to join the Council of Europe, largely because the invitation was sent at the same time to the Saar.

Then, of course, finally Mr. Chairman, there is the Berlin situation.

Mr. COTE: May I interject something at this moment? Would it be possible for Germany, economically speaking, to become a power with nationhood and so forth—I do not know what the words should be—without the Saar, or with the Saar being a sort of no man's land?

Hon. Mr. PEARSON: I am not an expert on this matter but I think it would be possible for Germany to be a strong and viable economic unit without the Saar. But, the Saar has been part of Germany since 1870 when it was founded, and it would be very hard for Germany to give up the Saar which is peopled by people of the German race. On the other hand, the Saar is perhaps economically more necessary to France than to Germany.

Mr. STICK: It is the same old question. After the last war they took a plebiscite. France wanted the Saar and the Germans wanted it; and they had a plebiscite and voted overwhelmingly to stay with Germany.

The CHAIRMAN: Mr. Minister, you mentioned that after the war we made some mistakes with respect to Germany. I think that the greatest mistake was made after the first war when the allies became divided and that eventually allowed them to bring in Hitler and all that he meant. As the minister, you cannot make a statement, but we believe that this is the time for the allies to be altogether unified and to put some water into their wine in respect to their dealing with Germany.

Hon. Mr. PEARSON: There is no question of that. We know that there were people, in the 1920's and the 1930's who were willing to exploit the divisions among the allies. Now there are even more formidable people who are willing to exploit the divisions. This time they are not Nazis but they are Russian communists.

Following that question I would like to touch on the relationship of Germany to the Council of Europe.

Mr. COLDWELL: Were you going to answer Mr. Bater's question regarding population?

Hon. Mr. PEARSON: The population of western Germany is about 55,000,000, and I think the population of eastern Germany is something over 30,000,000. Mr. Heency reminds me that of the 55,000,000 in the west there are 8,000,000 refugees from the communist zone—which in itself is a reflection on the communist government.

On March 31st the Federal Republic of Germany was invited by the Committee of Ministers of the Council of Europe to join the Council as an associate state and to hold 18 seats in the consultative assembly. This would put western Germany on an equal footing in the Assembly with Britain, France and Italy.

At the same time, the same invitation was issued to the Saar giving it three seats in the assembly. It is this implied recognition of its permanent separation from Germany that has embarrassed the Bonn regime so seriously. Prior to the issue of the invitation, Adenauer asked the three high commissioners for assurances:

- (a) that they desired Germany to join the Council;
- (b) that membership of the Saar in the Council would be effective only pending the regulation of its status in a peace settlement;
- (c) that Germany would become as soon as possible a full member of the Council but in the meantime should be allowed to send an observer to the Committee of Ministers.

The commissioners concurred in points (a) and (b) but referred point (c) to their respective governments.

Mr. Chairman, I think that is all I have to say on that matter unless there are some questions.

Mr. COLDWELL: Arising out of your remarks about the Canadian part in Germany at the present time, what kind of a delegation have we in Berlin at the present time? How large is it? And who is the head of it?

Hon. Mr. PEARSON: The head of the delegation is General Pope who is moving to another post very shortly and he will be replaced by another member of the diplomatic service.

Mr. COTE: Is there any air force or military officer?

Hon. Mr. PEARSON: Yes, we have a military officer attached to General Pope's staff in Berlin.

Mr. COTE: And in addition to officers and men have we any material for warfare?

Hon. Mr. PEARSON: No.

Mr. COTE: We have been accused of that?

Hon. Mr. PEARSON: Accused of what?

Mr. COTE: Of having material for warfare?

Hon. Mr. PEARSON: [Oh, no,] I think we have a jeep—and that is all.

Mr. COTE: Those officials are for liaison purposes?

Hon. Mr. PEARSON: I hope the government will not be accused of extravagance but I am informed that we also have a station wagon in Berlin. In addition to the head of the Mission we have a secretary, Mr. Molson, and an administrative officer. There are no military personnel and I was incorrect when I said there was a military attaché. There is Captain O'Hagan, an administrative officer, but there are no service attachés.

Mr. Low: What will be the status of the head of the mission in Berlin after General Pope has moved to Bonn?

Hon. Mr. PEARSON: What we propose to do is to move our mission to Bonn and it will be accredited to the west German government through the Allied High Commission. That has been done. I think we are leaving one person in Berlin who will act as liaison officer.

Mr. FLEMING: Who will that be?

Mr. HEENEY: That has not been decided. In fact, if I may say a word—recently, General Pope has been spending most of his time in Bonn where he has been accredited to the Allied High Commission and where he can be in touch with the German authorities. He does go to Berlin from time to time and O'Hagan is stationed there now. We are not quite sure who will be stationed in Berlin after General Pope has moved to Bonn.

Mr. FLEMING: And what status will whoever remains in Berlin hold?

Mr. HEENEY: He will be a member of General Pope's staff stationed in an office in Berlin. At the moment General Pope has two capacities—one is the head of the Canadian Military Mission in Berlin and the other is the representative of Canada in Bonn accredited to the High Commission.

Mr. COTE: We have no military mission?

Hon. Mr. PEARSON: Yes, we have. [But] We are not closing the military mission. General Pope has moved to Bonn but we are leaving an officer in Berlin. General Pope will spend most of his time in Bonn.

Mr. COTE: May I ask how we can have a military mission with only one station wagon?

Mr. STRICK: They are for liaison purposes only.

The CHAIRMAN: The matter of the peace treaty in Germany, particularly in my section of the country and for my people, still is considered as being a



hurt to our national pride. Of course, it was originated by Russia, and it was stated that Canada would not participate or play any part in it. However, Great Britain and the United States it is thought, could have worked a little harder for Canada in the matter of the peace treaty coming along. The reasons are very simple and comprehensive. In two great wars Canada has given a lot of her blood and her riches to help settle matters which were at the time almost all European. That reaction is a very strong one indeed. Is there any way of us getting more support?

Hon. Mr. PEARSON: I do not think we have very much complaint on that score at the present time. We have made our position quite clear. If there is to be a German peace conference, Canada will have participation as a full member of the conference. That has been expected by everybody. I think even Russia has accepted that. At the same time, the Council of Foreign Ministers when it was operating as such, claimed the right to work out the preliminaries of the peace settlement so that when the full conference met there would be an agenda—a little more than an agenda—

Mr. FLEMING: A comprehensive plan?

Hon. Mr. PEARSON: We agreed to that but we also made it clear that we would not be bound by anything that they had done. We were to have a free hand when the conference met and, by reason of our close relationship to London, Washington, and Paris, we should be kept in touch with what was happening. That was done. We have no complaint, especially as nothing has been done in regard to the German peace settlement with Russia. There have been no discussions with them for the last eight or nine months.

Mr. COTE: Mr. Chairman, I am sorry to ask this question of the minister but I think it is of paramount importance. As I have said several times before, I think we are the piece of ham between the two pieces of bread—the U.S.S.R. and the U.S.A. Canada is in the sandwich. I think it is of paramount importance for us to know whether directly or indirectly we are to be agents provocateurs? I put it this way. Do you think it conceivable that Russia, for instance, could pick Canada as agents provocateurs in any way—the way we carry on our international business or just in general? After all, this time I do not think that there will be any declaration of war—if we are to meet with the terrible things that may happen in a third world war. It may come to Montreal, Toronto, Vancouver, and Winnipeg, all or any of which may be smashed out by an atomic bomb and leave us in the position where for a couple of days we cannot even communicate to Washington that we have been attacked.

I say that we are the piece of ham. My information, as I read it in American papers and elsewhere, is that as we are participating with the United States, we may be said to be the agents provocateurs? Is that true or is it not?

Hon. Mr. PEARSON: My short answer to that is that it is not true. I do not know of any country that has any contact with Germany at all that is in less danger of being used by the Russians as agents provocateurs than Canada, because our entanglements in Germany are certainly less extensive and looser than almost any other country.

Mr. COLDWELL: One station wagon.

Mr. HANSELL: Mr. Chairman, the picture that the minister has given us has been very interesting indeed, and in our questions we have used the pronoun "we" a good deal, and I think it was perhaps in a general way. What I would like to know, however, is what is Canada's actual responsibility in Germany today? Does it go further than being able to present our views to the Council of Foreign Ministers?



Hon. Mr. PEARSON: I do not know whether responsibility is the right word. I think at the present time we certainly have no responsibility for anything that goes on in Germany. We are not one of the occupying powers so we have no responsibility to the occupying powers.

Mr. COLDWELL: It is something of a privilege?

Hon. Mr. PEARSON: We have an interest of course in what is going on in Germany—a very great interest; and I think we have a duty to follow developments and make our points of view known to the occupying powers if it is our opinion that they are taking action which would be prejudicial to the peace and security of everybody—

We also have an interest in gradually developing normal relations with that part of Germany which is under democratic control. We are trying to do that because our trade connections with that part of Germany may very well become important. Trade is going on now with Germany and we are considering, at the present time, the development of machinery which will facilitate it. We will probably be asked before very long, if we have not been asked already, to receive some kind of German trade representative in Canada. I do not know what we would call him, but I think there have been some suggestions on that line.

Mr. COLDWELL: I notice that you referred to Austria as a satellite country. Is it in the same position as other satellite countries?

Hon. Mr. PEARSON: If I called Austria a satellite country it is a mistake on my part because Austria is under occupation. Of course any country under occupation is a satellite in that sense, but it is not a satellite as in the Rumanian, Czechoslovakian or Polish sense at all.

Mr. COLDWELL: That is the point I wanted to bring out.

Hon. Mr. PEARSON: I am glad that you did.

Mr. FLEMING: I think that we can come to that later on. In the meantime, I want to ask a question about Germany before we get too far from it. May I ask the minister whether he is in a position to tell us that there has been no indication of any abandonment of the three occupying powers in Berlin of their position there as occupying powers in that city?

Hon. Mr. PEARSON: There has been no indication of that kind at all. On the contrary, there has been a confirmation indeed in recent days of their determination to maintain the position in Berlin. You may have noticed that Mr. Acheson made a statement yesterday I think to the effect that Berlin remains an advance post. It is an advance post which is some miles in front of the front line—which is not always the best place for your advance post. In this case it is 100 miles in front of the front line but, nevertheless, this advance post is going to be held. There has been no change of view.

Mr. STICK: There was a statement made a few days ago that if necessary they would use force.

Mr. FRASER: Mr. Pearson mentioned that we might be asked to receive a German trade commissioner. Have we not had a lot of German imports recently?

Hon. Mr. PEARSON: I have not got the figures.

Mr. FRASER: I asked a question in the House regarding \$900,000 worth of steel purchased for Canadian navy ships being built by Vickers in Montreal—and I just wondered if that was coming in.

Hon. Mr. PEARSON: I think you got an answer on that specific question from Mr. Howe.

Mr. FRASER: Yes, I did. He said he was buying it, and it would be bought where it was the cheapest.

Mr. COTE: Why not?

Mr. FRASER: We have to look after our own people first?

Hon. Mr. PEARSON: I gather that we have to import a lot of steel to look after our own people. There is not very much stuff coming in from Germany at the present time, but I could get you figures.

Mr. FRASER: I would like it. While I mention that, may I also mention something on Japan. In your throne speech of February 22nd you mentioned trade. At that time you said that you had a discussion with General MacArthur which was devoted exclusively to trade matters and "he expressed his great desire to do what he could to increase Canadian-Japanese trade. He added—and this is an addition which will be of particular interest to my colleague, the Minister of National Revenue (Mr. McCann) that there was no desire in Japan to indulge in commercial chicanery of the kind that disturbed us in Canada so much in the years before the war. He went on to say, and I hope he was correct, that we now had a guarantee against dumping by Japan—"

What I want to ask is was there any formal or informal agreement with General MacArthur regarding that dumping?

Hon. Mr. PEARSON: No.

Mr. FRASER: Because we have had a tremendous lot of it and I have had complaints from my riding. In fact we have one plant that has had to throw out, or discharge I should say, about sixty employees—owing to Japanese goods coming in.

Hon. Mr. PEARSON: I was merely reporting the statement that had been made by General MacArthur. You have just read a paragraph from the statement and you included the words "I hope he is correct—". I felt a little skeptical about it myself, at the time. But we all would hope that he was right. I was a little embarrassed not long after I got back to find that a lot of Japanese shirts had appeared on the market. I hope there was no relationship suspected between my return from Japan and the arrival of those shirts—but they came at a very bad time.

The CHAIRMAN: It has done a lot of good to the shirt situation in Canada, with respect to the high prices that we are paying here.

Mr. FRASER: Those shirts paid duty at only 4 cents a pound—not so much a shirt, but 4 cents a pound.

Mr. COLDWELL: We are getting away from external affairs.

Hon. Mr. PEARSON: I would like to answer this particular point now that it has been raised.

I would like to point out that when these complaints were received, and they were received within a few days of my return from Japan, we cabled our legation in Tokyo at once and brought the matter to our representative's attention. I also reminded him of my conversation with General MacArthur and I said that I hoped he would remind General MacArthur of the conversation—which he did.

Mr. FRASER: Did you get any reply on that?

Hon. Mr. PEARSON: Yes, we have had a reply. They were distressed in Tokyo—among the occupation authorities—that this had happened, and they said they would take the necessary action. Action had also of course been taken at this end but that statement made to me in Tokyo represented the policy of the occupation authorities out there—that they would try to see that this sort of thing did not happen. I do not know whether there have been any examples of dumping of that kind since we received the message.

Mr. FRASER: Oh, yes; definitely.

Mr. COTE: May I interject at this moment. Our international reputation will be jeopardized by restrictions as suggested by my honourable friend from

Peterborough, for obvious reasons. He should be the last one to suggest anything of the sort. I remember him stating several times in the last parliament that we were not making any nails in this country and that we should get some from everywhere possible in the world.

Mr. FRASER: I never said that—never.

The CHAIRMAN: Order.

Mr. COTE: When it is a matter of importing a little bit of steel from Germany or from Belgium, as I understand we are doing now, to ease the situation because we do not produce enough for our own requirements—

Mr. FRASER: Oh, no.

Mr. COTE: Yes. I am told in my riding that we cannot secure enough steel.

The CHAIRMAN: Order.

Mr. COTE: I do not think that these matters should ever be brought up in this committee—to jeopardize our relations with various countries including Germany. I do not think it is a matter with which we should be concerned. After all, in international affairs—

Mr. COLDWELL: Order.

Mr. COTE:—trade is important. If we have free trade with other nations it is easy to see—

Mr. FRASER: Out of Mr. Pearson's statement made in the House I asked this question and I got the answer I wanted. And, as far as Mr. Cote is concerned—I am going to protect the people in my riding despite anything that anyone may say.

Mr. FLEMING: Coming back to Berlin, may I ask Mr. Pearson if the Canadian government has been consulted or informed from time to time by the western occupying powers as to their policies?

Hon. Mr. PEARSON: Yes, we have and there is no capital in which we are represented where we get more complete reports than those which we get from General Pope in Berlin. He is in very close daily touch with three powers and he has been able to keep us in touch with their policies. On occasion we have been able to express our views on those policies.

Mr. FLEMING: When you have finished with Germany I would like to ask some questions on Austria.

Mr. HANSELL: Before you go to Austria, I do not know whether I put my question over to the minister a little while ago. The minister gave us a picture of the situation in Germany, and to use the terminology which he used the other day, the situation there might be termed as being explosive. What I would like to know is what relation Canada has to that particular situation? I know that we are interested in Germany's future; I know that we are interested in her for the purposes of trade and so forth, but I have not been able to determine just what our responsibility and relationship as a nation is to that explosive situation—beyond the presentation of our views to the occupation powers?

Hon. Mr. PEARSON: Well our general relationship to that situation, or any situation, is as covered by our obligation under the United Nations Charter to do what we can to prevent aggression and to assist any country which is attacked. That is a general obligation which every country has taken under the charter. We have also obligations under the North Atlantic Pact. These obligations do not cover Germany geographically because Germany is not included in the pact but, an attack on Germany would be an attack on the western occupying powers in Germany. If it were an aggressive attack it



would involve the United Kingdom, France, and the United States, because they have forces in Germany. An attack on those three states, if it were an aggressive attack, so determined by us, would involve us as a member of the North Atlantic Alliance. There is no attempt to deceive ourselves on that score; that is a specific obligation we have undertaken. As I said, at the first meeting, it would, however, remain for parliament and the government of Canada to decide whether an aggressive act had taken place and what specific measures we would take in this country to carry out our obligations under the alliance.

Mr. HANSELL: Has there been any particular statement made or definition made as to what is meant by aggression?

Hon. Mr. PEARSON: There have been very many attempts made to define aggression—notably at Geneva under the old League of Nations, when the League of Nations was trying to work out the Geneva Protocol. But, there has never been any definition that satisfied people because, as soon as you begin to lay down a definition for aggression in detail, then you run the risk of telling a potential aggressor what he must avoid in order not to be called an aggressor. There has never been any definition I know of which would cover every kind of aggression and a lot of people, therefore, think it is not wise to put down in black and white just what aggression is. It should be determined at the time, they say.

That seems to me to be a sensible view, especially in the light of the present circumstances when most aggressions can begin inside a country and have no relationship, in the beginning at least, to an attack from outside.

The CHAIRMAN: Is there any further discussion on Germany?

Mr. FOURNIER: I would like to ask a question of the minister. Have you any specific information about what the communist youth are supposed to be organizing in the month of May in Germany?

Hon. Mr. PEARSON: I have some information here. A mass youth demonstration under communist organization in Berlin is aimed at securing the evacuation of the western powers from Berlin, to add to the economic difficulties of the western sector, and to threaten the western population into accepting unification of the city under the communists.

The allied occupation authorities are taking elaborate precautions in an effort to prevent clashes and violence which might have very serious consequences. The result of these precautions and the fact they are known have been reflected in recent statement from the communist party of Germany. Whereas a few weeks ago statements as to what they were going to do in May, were very bellicose, the statements in recent days have taken on a different tone and they are emphasizing the peaceful character of the demonstration. I suspect if the object of this demonstration is to drive the western powers out of western Berlin, then that object will not likely be achieved.

Mr. STICK: It seems rather odd if that is their purpose that they would go around saying what they were going to do. It would seem that they would keep it quiet if that is what they were going to do.

Hon. Mr. PEARSON: Yes; however if it were part of the war of nerves and they wanted us to think they were going to do it—they might say it.

The CHAIRMAN: It has just come to my notice that we have the honour to have in our midst this morning and to assist us in our deliberations His Excellency Mr. Urbo Toivola, minister from Finland.

Hon. Mr. PEARSON: All questions on German-Finnish relations and Finnish-Soviet relations should be addressed to the minister.

Mr. FRASER: That is not your department.

Mr. COLDWELL: It does not come within the review of this committee.



Mr. BATER: Do I understand from what has been said that the city of Berlin is split like the country of Germany?

Hon. Mr. PEARSON: Yes, it is split into two parts with separate administrations—one under Russian control, and one under three power control.

Mr. FOURNIER: Is there any migration of population from one side to the other?

Hon. Mr. PEARSON: Oh yes, it is possible to move from one sector to another; and people work in one sector and live in the other. It is not as easy to move freely now as it was when I was last there, I understand.

Mr. COLDWELL: Are the Russians still using the broadcasting station in the British sector?

Hon. Mr. PEARSON: I think they are.

Mr. COLDWELL: It was a most anomalous thing to see them come in the morning to take charge of this broadcasting station—

Mr. FLEMING: And also to see them moving sentries back and forth from the Russian war memorial.

Hon. Mr. PEARSON: I cannot explain that in a public session but it is not so anomalous as it might seem. Because, if I may use the expression without being misunderstood, there is a gentlemen's agreement—

Mr. COLDWELL: I thought it was an ungentlemanly agreement?

Hon. Mr. PEARSON: Well, the western powers also have some arrangement by which they benefit and it is a sort of saw-off.

Mr. COLDWELL: You refer to the power station?

The CHAIRMAN: I suppose there are many more people from the Russian zone coming into the western zone than are going to the Russian zone from the western zone?

Hon. Mr. PEARSON: There are 293,000 unemployed in the western zone of Berlin at the present time.

Mr. FRASER: Unemployed?

Hon. Mr. PEARSON: 293,000 unemployed in the western sector of Berlin alone.

Mr. FLEMING: That is more than 10 per cent of the population.

Mr. COLDWELL: That represents 1 to 4 of the population—that also no doubt represents a certain inflow of Germans from the eastern sector of Berlin. They would rather be unemployed in the western sector than be employed under the communists.

Mr. FLEMING: I do not think you are right there in that proportion of 1 to 4 of the population.

Hon. Mr. PEARSON: It is 1 to 4 of the working population.

Mr. FLEMING: Oh, I see.

Hon. Mr. PEARSON: While I am on that I had better correct some statistics which I gave a few minutes ago. The population of western Germany is between 47,000,000 and 50,000,000; and the population of eastern Germany, the sector under Russian control, is between 18,000,000 and 20,000,000.

Mr. FLEMING: Those figures do not include Berlin?

Hon. Mr. PEARSON: No, they would not include Berlin. I am not sure of the population of Berlin but it must be three or four million.

Mr. FLEMING: 4,500,000.

Mr. Low: You mentioned that production under the allied control operation in Berlin has reached the point where they have stabilized the production of steel at the prewar level?

Hon. Mr. PEARSON: In the western zone. I am not sure of the level at which it has been stabilized—there has been considerable discussion as to what the level may be. It has been established, but I am not sure on what level.

Mr. HANSELL: Do you ascribe unemployment in Berlin to the refugee situation?

Hon. Mr. PEARSON: Not entirely; I ascribe it to normal seasonal unemployment and a definite policy on the part of Russian controlled Germans to make as much unemployment as possible in the western part of Berlin. There are also the refugees.

Mr. FLEMING: There is a great shortage of raw materials now. That is one of the great difficulties, and the air lift was used for the purpose of trying to find space to take in raw materials.

Hon. Mr. PEARSON: That is true. The Russians have made it as difficult as possible to get raw materials into the western zone to keep the factories going. There are some tremendous factories there; there is one electrical works which employs from 10,000 to 12,000 people, if not more.

Mr. HANSELL: Mr. Heeney gave a figure of some millions of refugees going from east to west. Would there be any material population moving the other way?

Hon. Mr. PEARSON: I should think it is only a trickle which goes the other way, but it is a flood going from east to west.

Mr. COLDWELL: I suppose the eight million includes displaced persons from Czechoslovakia and the Sudeten region?

Hon. Mr. PEARSON: They would not all be German citizens; they would be D.P.'s and people coming from countries under the iron curtain, people who have been able to get out—Czechs, more particularly.

Mr. COLDWELL: I mean people who were expelled from Czechoslovakia. I think you said they would be included?

Hon. Mr. PEARSON: Yes.

Mr. BATER: With regard to the territory occupied by the Russians and by the western powers, would you say there would be a split of about fifty-fifty with regard to factories?

Hon. Mr. PEARSON: There are large factories in the western zone. I think the largest ones are in the western zone, but there are some people who work in one zone and live in another zone.

Mr. FRASER: Are Canadians allowed to travel now into Germany, or is it wise not to?

Hon. Mr. PEARSON: It is possible to get a permit from the occupying authorities. It is not as difficult as it was before.

Mr. FRASER: There is cooperation?

Hon. Mr. PEARSON: In the western zone, but it is not, of course, easy to go into the eastern zone.

Mr. FLEMING: It is easier to get in than it is to get out.

Mr. FRASER: I was wondering whether there is much travel.

Hon. Mr. PEARSON: Tourist travel is admitted and is encouraged by the authorities.

The CHAIRMAN: If there are no more questions with regard to Germany, Mr. Fleming has some questions to ask concerning Austria.

Mr. FLEMING: I was going to ask the minister, Mr. Chairman, on the subject of Austria, if he is in a position to give us any further information about what headway, if any, is being made toward drafting a peace treaty after all the difficulties the council of foreign ministers faced there?

Hon. Mr. PEARSON: As I said at the beginning—I do not think Mr. Fleming was here at the time—there have been 250 meetings of the deputies trying to arrange an Austrian peace treaty. At one time it looked as though they were on the verge of success. The Russian delegate, who was a former Russian ambassador to Canada had yielded on one or two points, and there was some feeling that as a result of the decision in Moscow—the only place where a decision can be taken—the Russians were going to make concessions which would make possible an Austrian peace treaty; but the position has hardened again since last year and there is no progress. Russians still make difficulties over former German property in Austria; that is the main stumbling-block or excuse with the Russians. I know of no reason to believe that there will be an Austrian peace treaty in the near future until the authorities in Moscow have decided to stop their obstruction. They do not want a treaty at the present time.

Mr. FLEMING: We have no representatives in Vienna at the present time.

Hon. Mr. PEARSON: There is an Austrian consulate in Ottawa. Our nearest diplomatic representative is at Prague, and we have an immigration representative in south Germany at Frankfort.

Mr. FLEMING: Through what channels do we handle any diplomatic problems or relations, or have we any?

Hon. Mr. PEARSON: We handle them through the occupying authorities: through the British Foreign Office if we want to deal with the British, or through Washington if we want to deal with the Americans. On trade matters our trade commissioner is in Berne. His jurisdiction covers Austria too.

Mr. COLDWELL: If people want to leave that country for Canada where would they have to apply?

Hon. Mr. PEARSON: They would have to go to the nearest Canadian immigration officer, and he would be in Karlsruhe, which is not far away from Austria. There is an immigration officer there.

The CHAIRMAN: I am just informed of the presence of and may I now introduce Mr. H. F. Eschauzier, counsellor of the Netherlands Embassy at Ottawa.

Mr. STICK: Would you care, Mr. Pearson, to comment on the internal condition in Austria? I ask that because one of our medical men in Newfoundland, who had studied in Vienna, and his wife paid a visit there last winter, and his report on the internal conditions in Austria is that they are ghastly. According to his report the people have lost hope entirely over there. I do not know whether you care to comment on that or not.

Hon. Mr. PEARSON: I can only say that our reports are not quite as depressing as that.

Mr. STICK: He says that the conditions are ghastly.

Mr. COLDWELL: There seems to be quite a difference of opinion between some people in the United States and in London regarding the status of Spain in the whole of this area. What is the Canadian view on that matter? Are we standing firm, as I hope we are, against recognition of the Franco regime which was so closely identified with the Nazis and the Fascists during the war?

Hon. Mr. PEARSON: Well, we are standing. There has been no change in our policy except with regard to the appointment of a trade commissioner which is not a diplomatic appointment. I was asked by Dr. Gauthier to make a statement on Spain today. Then he told me that he would not be here and he asked me if I would hold off my statement until he could be here.

Mr. FLEMING: We could get it at the next meeting.

Hon. Mr. PEARSON: I shall not have very much in my statement.

Mr. COLDWELL: We will love that.



Mr. DICKEY: What is the situation? I notice that Mr. Coldwell used the term "recognition". We recognize the Spanish government at the present time.

Hon. Mr. PEARSON: Yes, we recognized the Spanish government away back in 1939. We have no diplomatic representation in Spain.

Mr. COLDWELL: That is what I meant.

Hon. Mr. PEARSON: There are a lot of countries in which we have not diplomatic representation. In more than half of the countries in the world we are not diplomatically represented.

Mr. Low: But you do have a trade representative in Spain?

Hon. Mr. PEARSON: Yes.

Mr. FLEMING: Would you care to say whether there has been any change in your plans for diplomatic representation in any of the capitals where at the present time there is no diplomatic representation? We had some discussion on this matter four or five months ago in the committee and you indicated that Canada was under some pressure to establish diplomatic relations with certain countries.

Hon. Mr. PEARSON: We are under pressure and we had plans in the department to extend our diplomatic representation to cover certain countries where we thought Canadian interests would justify that expansion, but our plans were interfered with by the Treasury Board; believe it or not, we could not get the funds. However, we had included in our estimates an amount which will make it possible for us to open offices in two countries and one more consulate.

Mr. FLEMING: Would you care to tell us what they are?

The CHAIRMAN: If you have no objection, would it not be preferable to deal with it when we come to the item?

Mr. FLEMING: That will be all right.

Hon. Mr. PEARSON: I should be very glad to do that when the time comes and the situation is such that I can say something. I am not sure whether we have actually approached the countries in question to see if they are willing to accept. There is nothing secret about it, except in so far as it might be an inaccurate statement if I mentioned a country and found out that we would not be able to open up this year.

Mr. STICK: May I move the adjournment?

The CHAIRMAN: If any member has any more questions they may ask them. Any question is in order. I believe we have our agenda up to date.

Mr. FLEMING: When will our next meeting be held?

The CHAIRMAN: At 9 o'clock on Monday evening.

The committee adjourned.















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Canada, External Affairs, Standing Committee

(SESSION 1950

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1950

HOUSE OF COMMONS

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

MONDAY, MAY 1, 1950

Main Estimates of the Department of External Affairs—Items 64  
and 67 Departmental Administration

1950-51

The Honourable Mr. LESTER B. PEARSON

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
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1950



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ON

### EXTERNAL AFFAIRS

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VICE-CHAIRMAN: Gordon Graydon, Esq.

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Bater	Fleming	Low
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Benidickson	Fraser	McCusker
Bradette	Gauthier ( <i>Lac St. Jean</i> )	Mutch
Breithaupt	Gauthier ( <i>Portneuf</i> )	Noseworthy
Campney	Goode	Pearson
Coldwell	Graydon	Picard
Côté ( <i>Matapédia-Matane</i> )	Green	Pinard
Croll	Hansell	Richard ( <i>Ottawa East</i> )
Decore	Jutras	Robinson
Dickey		Stick

CLERK: Antonio Plouffe

## CORRIGENDUM

No. 1 of the minutes of proceedings of Tuesday, April 25.

Page 8, line 19—delete the words “of the External Affairs estimates” and read “*of the Minister of External Affairs*”.



## MINUTES OF PROCEEDINGS

MONDAY, May 1, 1950.

The Standing Committee on External Affairs met at 9 o'clock in the evening. Mr. J. A. Bradette, Chairman, presided.

*Members present:* Messrs. Bater, Bradette, Coldwell, Côté (*Matapédia-Matane*), Croll, Decore, Dickey, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Hansell, Jutras, Leger, Low, McCusker, Noseworthy, Pearson, Picard, Richard (*Ottawa East*), Robinson, Stick.—22

*In attendance:* Messrs. A. D. P. Heeney, H. O. Moran, S. D. Hemsley and F. M. Tovell.

The Chairman referred to the new seating arrangement which met with the approval of the members.

He presented the second report of the sub-committee on Agenda (*see today's evidence*).

### *Item 64—Departmental Administration*

Honourable Mr. Pearson made a brief statement on Spain.

He supplemented his answers to questions asked at the previous meeting on Klaus Fuchs and on diplomatic representations. He was further questioned thereon.

Referring to a Newspaper's Editorial and to Honourable Mr. Drew's criticism in the House of the Information Division, Mr. Pearson made a statement and undertook to supply the Committee with data on the establishment and duties of this division.

Mr. Pearson made an introductory statement on Item 67 of the Estimates referred.

At the request of Mr. Low, Mr. Pearson will table information outlining the departmental method of appropriating and expending.

He was assisted by Messrs. Heeney and Moran.

At 10.55 the Committee adjourned until Thursday, May 4th.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## EVIDENCE

HOUSE OF COMMONS,

May 1, 1950.

The Standing Committee on External Affairs met this day at 9 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: I will now call the meeting to order. Now, as you have noticed, changes have been made in the seating accommodation. Apparently it must be popular to have the chairs arranged this way so that all the members, the witnesses and the press can be accommodated.

I believe it is in order to have the minister and the members of the department sitting as close to the chair as possible.

The first order of business is the presenting of the second report of the steering committee which met in my office this afternoon. It reads as follows:

### Second report of the Steering Committee

A meeting was held in my office this date at 2:15 o'clock.

Messrs. Côté (*Matapédia-Matane*), Benidickson, Gauthier (*Portneuf*), Graydon, Leger, Low and Noseworthy.

After discussion, it was agreed—

1. To hear this evening Mr. Pearson's supplementary statements on the Fuchs case and Austria and his statement on Spain.
2. To hold a meeting on Thursday, May 4 next.
3. To devote the meetings of the week of May 8 to the statements of Messrs. Eudes and Jutras, M.P. and to call item 73—United Nations.
4. To then hear Mr. Heeney and other officials of the department as called.

I will now call Mr. Pearson.

Hon. L. B. PEARSON (Secretary of State for External Affairs): Mr. Chairman, there are still one or two matters outstanding from the previous meeting. If it is possible I can deal with them at this time and later explain one or two other matters concerning the department which may come up.

Dr. Gauthier raised a question at our first meeting about Spain; All I have to say about that is that since the last time the committee met, since the last session, there have been no changes in respect to the United Nations position toward Spain. What I mean by that is that there was a resolution of the United Nations which was passed by the Assembly and recommended the withdrawal of the heads of diplomatic missions from Spain. That resolution remains; it was not rescinded by the United Nations Assembly at its last meeting. So far as the Canadian position is concerned we have never had any diplomatic representation in Spain and so the questions of implementing that resolution did not arise in our case. Since the last session, Canadian trade commissioner has been appointed to Madrid to increase trade between the two countries if possible. That is a change in the situation, but that does not affect the diplomatic position at all. So far as Canada is concerned we have no diplomatic representation in Madrid and our diplomatic business with the Spanish government is conducted in Madrid through the British Embassy, and in Canada through the Spanish Consulate-general which is situated in Montreal.

The CHAIRMAN: Are there any questions members of the committee would like to ask at this time about Spain?



Mr. BATER: In connection with the British embassy in Spain, do they have an ambassador there now?

Hon. Mr. PEARSON: No, they withdrew their ambassador when the resolution was passed. The embassy there is in charge of a chargé d'affaires. The United Nations resolution was merely to the effect that the heads of missions should be withdrawn, not that the embassies themselves should be discontinued. Some countries in the United Nations implemented that resolution, some did not. I believe the British embassy is in charge of a counsellor now.

Mr. GAUTHIER (*Portneuf*): Suppose a member of the United Nations were to bring up the question of an ambassador to Spain, would Russia be able to stop that being adopted in the United Nations by their veto?

Hon. Mr. PEARSON: No.

Mr. GAUTHIER (*Portneuf*): They would not be able to do that through the veto?

Hon. Mr. PEARSON: No, the Russian veto does not apply to recommendations of the Assembly; but if a resolution were produced at the next Assembly to the effect that the earlier resolution should be rescinded and the heads of missions returned, if that were carried by a majority, then it would be operative. The Russians could not veto it because their veto does not operate in the Assembly.

Mr. Low: Is the fact that we are not represented by an embassy a disadvantage to Canada?

Hon. Mr. PEARSON: Only to the same extent that we are handicapped by not having diplomatic representatives in any country. We have diplomatic representation now in thirty-three countries and we have no diplomatic representation in forty or forty-five countries. I do not know to what extent we are handicapped by having no diplomatic mission in Spain; that is hard to tell.

Mr. COLDWELL: Where we have a diplomatic mission without representation the place is, I presume, left in the care of a chargé d'affaires?

Hon. Mr. PEARSON: We have endeavoured to extend our diplomatic representation gradually, beginning first with those countries which are commercially interesting to us. I think I said before that we have had a number of suggestions from other countries that we should establish diplomatic relations with them but we have not been able to meet that suggestion in some cases because we did not think our interests were sufficiently important in those countries as yet, and in other cases because we haven't got the money.

The CHAIRMAN: Mr. Pearson, is not Spain one of the largest countries with whom we have no diplomatic representation at the present time?

Hon. Mr. PEARSON: It is one of the largest countries, yes.

Mr. McCUSKER: What is our position with respect to the Russian satellite countries? Why do we continue to maintain representations there? I notice that we have not withdrawn completely from some of those countries.

Hon. Mr. PEARSON: Of course, that is an entirely different question. That is a question to which the government and the department have given and are giving serious consideration. I would like to point out in the first place that our representation in these countries is on a skeleton basis. We have no head of mission in Warsaw. We have no head of mission in Prague. We have no representation of any kind in other satellite countries, and our Embassy in Moscow is in charge of a councillor with a very small staff, so we are keeping a minimum staff in those countries. We have come to the conclusion that under present circumstances that is the desirable thing to do. I have never thought myself that the breaking off of diplomatic relations is a good way of showing displeasure at a form of government. If your relations there are not too good that is an easy way to have contact with that country.

Mr. GRAYDON: You mentioned about a skeleton staff in Moscow, there is a staff over here that is not exactly a skeleton staff.

Hon. Mr. PEARSON: It is not as large as it used to be. I will have the figures on that for you in a moment or so.

Mr. STICK: What is the size of it now?

Hon. Mr. PEARSON: I think it is seven.

Mr. DICKEY: How does it compare in size with some of the other diplomatic missions here in Ottawa?

Hon. Mr. PEARSON: It is not as large as some but it is quite a substantial diplomatic mission. I should like to have the figures before I make a statement on that. I have that now. The U.S.S.R. Embassy here consists of a counsellor, a chargé d'affaires, a first secretary, two second secretaries, two attachés and two assistant military attachés.

Mr. STICK: Can we control the representation they have here?

Hon. Mr. PEARSON: Yes, we can. We can tell them if we think they are over-represented and ask them not to add to their staff.

Mr. COLDWELL: How many have we in Moscow at the present time?

Hon. Mr. PEARSON: In Moscow we have a counsellor who is chargé d'affaires, two secretaries and a military attaché; so the disproportion is not very great.

The CHAIRMAN: Have you a question to ask Mr. Cote?

Mr. COTE: I think my question has been already answered. It was to be with regard to the representation of these various countries, Spain, Russia and I would have included China. I think the minister answered my question. It was the question: "Do we not overdo representation in these countries and cannot there be some representation vice versa with regard to Spain? Apparently representation is well balanced according to the answer given by the minister and I am satisfied.

Mr. COLDWELL: The Tass representative is not considered a diplomatic representative?

Hon. Mr. PEARSON: No, we do not consider him as a diplomatic representative. I may add, in parenthesis, we still get very interesting information from our embassy in Moscow.

Mr. COLDWELL: I noticed over the week end that you made some criticism of Dr. Endicott.

Mr. CROLL: I think you ought to change that to "observations" if he made the remarks attributed to him.

Mr. COLDWELL: I think he deserved what he got. I noticed in the papers this morning he issued a statement and handed a copy of his statement to our embassy in Moscow.

Hon. Mr. PEARSON: That is true. He handed a copy of the statement to our Embassy but I am not sure whether it was before or afterwards. I have that information but I have not got it with me. What I was criticizing was the statement that he was reported to have given to the Soviet press after the conference. These statements were received the other day in English translation, and in one of these statements Dr. Endicott praised the accuracy of the Soviet press, so I assumed, naturally that the statement would be accurate and authentic. On the basis of the statement which he made in Moscow about Canada and the western democracies after a very short visit indeed in Moscow, I think that my observations on his words and his attitude were not unjustified.

Mr. STICK: They have no means of knowing what he did say if it did not appear in the press. He did not give a statement of everything he said.

Hon. Mr. PEARSON: He did have a press conference or two and it was on the basis of the Soviet report of what he said that I made this statement. I understand he says now that he was misquoted.

Mr. COLDWELL: I was going to ask you if he gave a general statement that he read or was it a statement also giving the questions and answers that might be asked at a press conference?

Hon. Mr. PEARSON: He is quoted as saying certain things. We would be very glad to get those reports and make them available to the committee if it would be of interest to the committee.

Mr. COLDWELL: I would like to see them.

The CHAIRMAN: Any further questions on Spain, gentlemen?

Mr. COTE: Are we to infer from this statement of the Minister to the Reform Club that we are finding out what is going on in Russia just as the Russians are doing in Canada?

Hon. Mr. PEARSON: Well, I feel we should find out everything we can about conditions in Russia and what is going on in Russia. That is one of the purposes of our Embassy there, and within the limitations that are imposed on them by conditions, we get, as I have said, very interesting information indeed.

Mr. COLDWELL: How far can our representatives travel without permits? They cannot go very far from Moscow?

Hon. Mr. PEARSON: There is a certain area in which they are allowed to travel without permits which is relatively a fairly extensive one. There are great areas of Russia where they are not allowed to travel at all. Our people have done as much travelling as it is possible to do and have made some interesting reports on their trips.

Mr. COLDWELL: Are there any restrictions on their representation here?

Hon. Mr. PEARSON: Their representatives here may travel wherever they may see fit except in certain security areas, such as Chalk River, and I think certain other military areas.

Mr. COLDWELL: Does that apply to other countries as well?

Hon. Mr. PEARSON: Yes, it applies to other countries as well. We treat the U.S.S.R. people in that regard just as we treat everybody else but when invitations are issued to the military attachés of foreign Embassies and Legations to visit certain establishments like Fort Churchill, that invitation is not extended to the military attachés of the U.S.S.R. because invitations of that kind are not addressed to our military attaché in Moscow; we reciprocate.

Mr. CROLL: Would a satellite be invited?

Hon. Mr. PEARSON: He would be invited if our military attaché in that country were invited to similar demonstrations in that country.

Mr. CROLL: He could pass the information on?

Hon. Mr. PEARSON: Oh yes.

Mr. STICK: They usually do. That is part of their job.

Mr. COTE: Does that mean counter-espionage with regard to Russia?

Mr. CROLL: It is not a question of espionage.

Hon. Mr. PEARSON: There is no such thing as espionage or counter-espionage in the Canadian diplomatic service in Russia or in any other country. Our people send us information about Russia that they get openly. They get it from travel, from reading Russian magazines and Russian newspapers and they are in a position to do that because they learn the Russian language if they do not know it before they go there.

Mr. COLDWELL: What about the diplomatic pouch?

Hon. Mr. PEARSON: They send their despatches in a diplomatic bag and they are secure.



Mr. HANSELL: We seem to have veered away from Spain in a bit of a hurry. Might I ask has Spain ever sought membership in the United Nations?

Hon. Mr. PEARSON: Not to my knowledge. I cannot myself imagine the Spanish government seeking membership in the United Nations under present circumstances. They are a proud people.

Mr. HANSELL: Have they ever been invited?

Hon. Mr. PEARSON: I do not think they have applied for membership, and I do not think the question of invitation arises. A state applies for membership and to my knowledge the Spanish government has not applied for membership.

Mr. GAUTHIER (*Portneuf*): Salazar made a declaration on that for Portugal, asking that the United Nations recognize Spain.

Mr. CROLL: Not for Spain.

Mr. GAUTHIER (*Portneuf*): I said Salazar.

Mr. CROLL: That is Portugal.

Hon. Mr. PEARSON: His application was vetoed by the Russians.

Mr. GAUTHIER (*Portneuf*): Is the refusal by the United Nations to recognize Spain based on the fact that the government of Spain is a dictatorship?

Hon. Mr. PEARSON: I would not be in a position to explain the motives that animated the various delegations of the United Nations in this matter. The United Nations does not act as a unit, it consists of fifty-five or sixty governments. Some governments are opposed to Spain's admission to the United Nations because they think it is a totalitarian dictatorship and others are opposed to Spain's admission because Franco's regime gave aid and comfort to the Nazis during the war and it is too soon after the war for us to forget it.

Mr. COLDWELL: Is that not of record in correspondence between Franco and Hitler? I think I have a copy of the letter under my hand. It came out in the Nuremberg trial.

Hon. Mr. PEARSON: It is quite clear that Franco gave some help to Nazi Germany during the war, but it is not so clear whether he could have given a lot more if he had wished to or whether he went the limit. I am not expressing any opinion on it.

Mr. GRAYDON: Of course, Russia gave some help to the Nazis.

Mr. GAUTHIER (*Portneuf*): Absolutely. That would not be an argument against Spain.

Mr. COLDWELL: The Russians were subsequently on our side and Franco was on the other side all during the war.

Mr. GAUTHIER (*Portneuf*): He is on our side against communism, we all recognize that.

Mr. COLDWELL: There is no religious freedom in Spain.

Mr. GAUTHIER (*Portneuf*): Oh yes there is.

Mr. COTE: Is the United Nations' constitution aimed at getting together democratic states instead of Fascist or whatever you may call them, totalitarian states, and was that not the fundamental reason why Spain and Portugal were not admitted, and even Ireland was not invited to join the United Nations?

Hon. Mr. PEARSON: The reason why Portugal and Ireland are not members is that their applications were vetoed in the Security Council by the U.S.S.R. One reason why Spain is not a member of the United Nations is that she would not apply. She is not likely to apply for membership as long as there is that resolution standing, that diplomatic heads of mission be withdrawn from Madrid.



Mr. COLDWELL: Is there any likelihood of a change in the attitude towards Spain, Portugal and Ireland?

Hon. Mr. PEARSON: I think there is a growing feeling that we should reopen this question of applications and let in everybody that applies. That would mean an admission of another thirteen or fourteen states which would include certain communist satellite states, but it would include Italy, Ireland, Portugal and other states which are not communist. My own view is that we should reconsider this whole question of applications and possibly accept all of them.

Mr. COLDWELL: That seems sensible.

Mr. DICKEY: Would it be possible, Mr. Minister, to get around the Soviet veto?

Hon. Mr. PEARSON: Yes, I think it would be possible. I do not want to be too dogmatic on anything the Russians may do but I think it would be possible if we said to Soviet Russia: we will accept all your nominees if you accept the other nominees. I think it would be possible to have them all admitted.

Mr. GRAYDON: What percentage of those not yet in the United Nations would normally support the Soviet point of view?

Hon. Mr. PEARSON: It would be about even on the outstanding applications. The anti-communist set, if I may put it that way, would include Ireland and Portugal, Italy, Spain and Trans-Jordan. I have not the whole list here.

Mr. COLDWELL: Would the western countries agree to the admission of Spain?

Hon. Mr. PEARSON: I think there are a lot of countries now who would feel that any sovereign unit recognized as such should ipso facto be a member of the world organization irrespective of its form of government.

Mr. COTE: Irrespective of what?

Hon. Mr. PEARSON: Irrespective of its form of government.

The CHAIRMAN: I noticed, when I was a delegate to the United Nations, that there was some very strong lobbying being done by the South American republics, a number of which were in favour of Spain coming into the United Nations. There were some who were against it—there was some division even in the Spanish world.

Mr. COTE: Do you mean to say that there are members of the United Nations who are willing to accept Spain, Ireland and Portugal as their co-members—countries which assumed no responsibility whatsoever and did nothing in the last war?

Hon. Mr. PEARSON: I think there are a lot of members of the United Nations, who, as I have just said, would be willing to accept all recognized sovereign states as members of the United Nations.

Mr. COTE: Irrespective of what their record during the last war was?

Hon. Mr. PEARSON: Yes.

Mr. COTE: Do you not think that there should have been some representations made at that very time by some nations? What use is there of going full blast into a world war costing so much in lives, blood, and money—when countries which do that are in no better a position in the world organization than nations which did nothing.

Hon. Mr. PEARSON: Well, I can only express the point of view that I have just expressed. Opinion in some countries is, I think, swinging around to the other view that the United Nations should be open to all recognized sovereign states irrespective of their form of government.

Mr. COTE: That ought to be a lesson to us.

Mr. GRAYDON: In those states which have not membership in the United Nations, which ones do we exchange diplomatic representation with now?

Hon. Mr. PEARSON: I think only Ireland and Italy.

The CHAIRMAN: Are we ready for the statement on the Fuchs incident?

Mr. HANSELL: Mr. Chairman, I do not know whether my question is going to be a fair one and so I shall abide by your ruling. I say that because the answer will have to be the minister's opinion only.

We have read a lot and heard a lot—it comes over the air, through the press and so on, and our minds become affected, but I suppose, the general impression is that Spain is ruled by a dictatorship. I would like to ask Mr. Pearson if in his opinion at least Spain is governed by a ruthless dictatorship? If so, does that dictatorship differ in any way from the dictatorship in the communist countries?

The CHAIRMAN: I believe an answer to that question would be very difficult. Dictatorship, as the name implies, is government without representation.

Hon. Mr. PEARSON: I cannot answer the question if you put the word "ruthless" in front of dictatorship, because it would not be proper for me to express an opinion of that kind of any government—or at least not in a public session.

Mr. HANSELL: I will erase the word "ruthless".

Hon. Mr. PEARSON: I would go so far as to say that Spain is not democratically governed in our sense—in the manner of elections by the choice of the people—any more than certain other governments of the United Nations are democratic in our sense of the word. It is absurd to think that all members of the United Nations have democratic governments as we understand them.

Mr. Low: Argentine, for instance.

Hon. Mr. PEARSON: You can work out the list quite easily for yourselves.

The CHAIRMAN: Shall we proceed?

Mr. BATER: I would just like to ask one question. Does the fact that we are not on diplomatic terms with a country like Spain curtail our trading to any extent?

Hon. Mr. PEARSON: Well, we have a trade commissioner in Madrid and I think that will assist our trade relations. I feel that a diplomatic mission in a country does assist trade contacts because there are certain things that the head of the mission can do in trade matters that a trade commissioner finds more difficult. The head of the mission has direct access to the ministers and to the head of the government. The possibility of increased trade is one of the most important reasons for opening a diplomatic mission. That looms very large in our minds when we request funds from the government or the Treasury Board to extend our diplomatic relations.

Mr. COTE: May I ask the minister whether it is a fact that most of the imports that we get of produce from Spain and Portugal come through the United Kingdom government. I am speaking of wine, although of course, I am not an expert in the matter. I think that the United Kingdom has a long term contract to handle and export to the world over the wine which comes from Spain and Portugal?

Hon. Mr. PEARSON: I am not informed about conditions in the wine trade but I know that we are anxious to increase our exports to Spain—I am thinking of coarse cereals.

Mr. HANSELL: I wonder if the minister would tell us how many nations of the United Nations approach some similarity to our concept of the democratic nation and how many would not?

Hon. Mr. PEARSON: That would be a matter of opinion and I would not want to express my opinion because the word democracy is a very difficult one to apply to certain forms of government. We know what we mean by it. Our form of democratic government rests on free elections where the will of the people is expressed. There are some governments in the world, however, which claim that they have found ways of expressing the will of the people without necessarily following our form of free elections. They use the word democracy as we do but it means an entirely different thing. I could not begin to explain the distinction in such a way as to put certain countries on one side of the line of democracy and others on the side of non-democracy. It would be particularly difficult in respect of some of the Latin American countries. I would not try to do it because I would certainly get into trouble with a lot of countries if I labelled them as non-democratic.

Mr. GAUTHIER (*Portneuf*): Would it not be worth recognizing Spain in the same way as it is proposed to recognize west Germany?

Hon. Mr. PEARSON: I wish you would keep in mind the distinction between recognizing a country and exchanging diplomatic relations. We have recognized the regime of Spain since 1939 and, as far as we are concerned, Spain is in exactly the same position as the government of Egypt, Portugal, Venezuela, or of any country which we have recognized but to which we have not sent a diplomatic mission.

Mr. GAUTHIER (*Portneuf*): Has it not been proposed to enter west Germany in the United Nations?

Hon. Mr. PEARSON: No, we are not sending a diplomatic mission to Germany, nor have we at any time since the war. Our liaison mission in Germany is accredited to the Allied High Commission—it is not accredited to any German government but to the Allied High Commission in Germany—which is a rather different matter.

Mr. GRAYDON: Of course there has been no peace treaty with Germany?

Hon. Mr. PEARSON: No.

The CHAIRMAN: Shall we proceed now with the Fuchs question?

Hon. Mr. PEARSON: There are some outstanding questions—some stones left unturned regarding Dr. Klaus Fuchs.

A number of questions were asked by members of this committee on April 25th, and I think I can supply the information on those questions now.

The first question that was asked was:

Were there any communications between the United Kingdom and Canadian authorities re Fuchs after the time when his name was first given to the United Kingdom?

The answer is:

There were no communications concerning Klaus Fuchs between the United Kingdom and Canadian authorities until after his recent arrest on charges of espionage.

Mr. GRAYDON: That would cover both the unofficial and official communications?

Hon. Mr. PEARSON: There were no communications of any kind—official or unofficial.

The second question was:

Did the Canadian government give the United Kingdom authorities any information other than his name?

This question cannot be dealt with by a simple affirmative or negative answer. Rather it must be explained that as a matter of co-operation all the mass of exhibits produced before the Royal Commission was made available in



Ottawa to a representative of a United Kingdom security service. Likewise, that representative was permitted to attend the Royal Commission hearings and he was provided with a transcript of the evidence. Amongst the more than 600 exhibits was a small alphabetically indexed address book which had been seized from one of the espionage suspects at the time of his arrest, February 15, 1946. This address book contained approximately 436 names, addresses, telephone numbers, etc. Amongst these appeared the name Klaus Fuchs.

It was also asked, Mr. Chairman:

Did the Department of Justice associate the name with the Fuchs who had been in an internment camp in Canada?

The answer to that is:

The name of Klaus Fuchs was not identified by investigators as that of an individual who had been interned in Canada. There was no record of Fuchs in Canada at that time apart from the brief statistical records maintained of civilian internees which this country undertook to accept and safeguard as a matter of co-operation with the United Kingdom.

A further question was:

Was the notebook found on a person who was convicted or prosecuted and found not guilty?

The notebook was one of the articles seized during the search of the premises of a man who was subsequently charged and acquitted.

Another question was:

Have the other names mentioned in the notebook been investigated?

How many were there and what results?

As I have said, there were 601 exhibits introduced at the royal commission hearings. Most of these exhibits were extracted from thousands of documents seized. A large room was required for the storage of the documents so seized and special shelving had to be erected to facilitate their sorting and examination.

This particular notebook was an ordinary small alphabetical address book and contained approximately 436 entries. Included in this group were 150 names—some with addresses and phone numbers and some without—of persons then resident in Canada; 163 names and addresses of persons then resident in the United States of America and 5 names of persons then resident in the United Kingdom. In addition there were 118 entries of a miscellaneous character.

Following its seizure the notebook was very carefully examined from the point of view of affording evidence in connection with the then existing or proposed conspiracy charges that arose from the Soviet espionage enquiry. In each case, action appropriate to the circumstances was taken.

It was also asked whether the person who owned the notebook has been interviewed. The answer to that question is yes.

A question was asked concerning the period of Fuchs internment in Canada. The answer is six months during 1940.

It was finally asked whether there was any information about Fuchs in addition to his name.

His address and his professional title—that is Dr. Klaus Fuchs—as well as his name were given, but no other information.

That is the information I have dealing with the questions which were asked in this matter the other day.

Mr. COLDWELL: That is not much to arouse suspicion, anyhow.



Mr. DICKEY: My understanding of the movement of Fuchs would seem to indicate that on February 15, 1945, when this notebook was discovered and presumably after it was first examined, Fuchs would have been in the United States. Is that correct?

Hon. Mr. PEARSON: Fuchs did not go to the United States, I believe, until some years after his return to England.

Mr. DICKEY: I thought it was in 1944 that he went to the United States?

Hon. Mr. PEARSON: He was returned to England in 1940; and I think he went to the United States.

Mr. DICKEY: In 1944, and returned in 1946?

Hon. Mr. PEARSON: He went to the United States first at the end of 1943 with a group of British scientists on a government mission.

Mr. GRAYDON: In what year was that?

Hon. Mr. PEARSON: December, 1943. He remained in the United States until the beginning of 1946.

Mr. DICKEY: So at that time he was in the United States?

Hon. Mr. PEARSON: He was in the United States, as I understand it, from December 1943 until 1946.

Mr. GRAYDON: My difficulty in connection with the matters arises, as the minister knows, from the fact that here was a very prominent scientist apparently in Britain who was given a top job and was kept on that job until very recently.

Mr. COTE: In England.

Mr. GRAYDON: In England; and still his name apparently had been given as early as 1946 to the United Kingdom authorities, together with four other United Kingdom residents. In addition to that, or at least keeping that in mind, I think it would seem, at least to a layman who was looking at this thing not from an investigational standpoint particularly, that if the security regulations so far as governments are concerned are so loose that you can drive a coach and six through them as Fuchs did, then, of course, it makes one feel rather insecure with respect to general security provisions themselves. I was most anxious to find out what investigation was made of the man who had the note book. The minister says that he was examined.

Mr. CROLL: "Charged", I think he said.

Mr. GRAYDON: Interviewed?

Mr. CROLL: No. Charged.

Mr. GRAYDON: I am speaking of the note book.

Mr. CROLL: Yes. The man with the note book was charged.

Mr. GRAYDON: The man with the note book was charged. It would seem to me that we had some responsibility in this country no matter whether he was a United Kingdom resident or a Canadian resident to track down the record of that man, when his name was in the note book. And I would like to know from the minister just what pains were taken in investigating his position and his record, having in mind that his name appeared in a communist note book such as that.

Hon. Mr. PEARSON: In so far as the owner of the note book was concerned, he was investigated very carefully. In that note book there were, I think five names of people who were resident in the United Kingdom. Those names were sent to the United Kingdom.

Mr. COLDWELL: Was Fuchs one of those names?

Hon. Mr. PEARSON: Fuchs was one of those names; and they were sent to the United Kingdom with all the information available concerning those names.

But in so far as the other 140 odd Canadian names were concerned, that, I submit, is where the responsibility of the Canadian Government was involved. Because they were Canadian residents in Canada, everyone of those names was investigated, carefully investigated and followed up.

Mr. GRAYDON: But the United Kingdom did not have the opportunity which our authorities had here to examine the man who had the note book. And I think ours was the responsibility, because of the distance, of making full investigation of Fuchs and this report, not just the names of the individuals, but all the background of the man himself so that the United Kingdom authorities would be able to identify him. Over here we would be able to find out at least some of his operations.

Hon. Mr. PEARSON: I cannot follow that. The Canadian investigation was a very thorough investigation of the man who had the note book and all the information that was secured from him including the names of the people in his note book, and any information we could secure about those names, was sent to the United Kingdom. Surely when the United Kingdom received those names, the names of people who were all United Kingdom nationals resident in the United Kingdom. With that background, and with the information we were able to obtain on this subject, then surely the further responsibility was that of the United Kingdom government.

Mr. STICK: And you have said that the United Kingdom government had a man out here during the investigation for that particular purpose.

Hon. Mr. PEARSON: He was here all the time.

Mr. CROLL: Did not the Attorney General in presenting the case admit that they had slipped up; Shawcross. I think, admitted that they had slipped, and that the less said about it the better.

Mr. GRAYDON: May I ask what in addition to the name, and the first name, was transmitted by the authorities here to the United Kingdom government?

Hon. Mr. PEARSON: The record of the trial of this man and the record of his hearings.

Mr. GRAYDON: I am speaking of Fuchs now.

Hon. Mr. PEARSON: We had no information about Fuchs. He went to the United Kingdom, as I understand it. We merely had the name of Fuchs in the note book.

Mr. COLDWELL: Fuchs was never legally in Canada?

Hon. Mr. PEARSON: He was interned in Canada for six months and then returned to the United Kingdom at the request of the United Kingdom. He was never a legal resident of Canada or connected with Canada in any way, shape or form. He never had been in Canada before, nor has he been since.

Mr. CROLL: And as to those four others, had they ever been in Canada at all, or were they just names?

Hon. Mr. PEARSON: They were just names.

Mr. GRAYDON: Was the man who had the note book fully examined with respect to Fuchs?

Hon. Mr. PEARSON: He was fully examined with respect to all the information and with respect to the names found in his note book; and he was also tried, and the record of his trial was made public at the time and he was acquitted.

Mr. COTE: May I ask whether Fuchs was for one single day free in Canada? He was, let us say, in a prison camp as the guest of the British government? Was he ever for one single day free in Canada?

Hon. Mr. PEARSON: No, he was not, to the best of my knowledge.

Mr. Low: Had he been interned as a German national likely to cause trouble?

Hon. Mr. PEARSON: As I think I mentioned the other day, in the excitement of 1940, there was a general roundup of German nationals and former Germans, and there was little effort—indeed there was little opportunity—to make a careful examination of every individual case. They were put into camps, put on ships and rushed out here because it was felt that invasion was imminent. Fuchs was only one of many thousands. And I think he was here for only six months.

Mr. COTE: May I ask a further question relating to the question which I put a moment ago in regard to British subjects: have we ever had in this country, let us say, German people under the same circumstances that we had this fellow Fuchs, as a sort of guest, if I may use that word?

Hon. Mr. PEARSON: Oh, no.

Mr. COTE: I mean the more dangerous characters from Germany during the war who were taken prisoners and sent over here by the United Kingdom government, as you say?

Hon. Mr. PEARSON: No, I do not suppose we ever had that situation before in Canada.

Mr. BATER: And may I ask where Fuchs was resident let us say, six or twelve months prior to the commencement of hostilities in 1939?

Hon. Mr. PEARSON: He was in England, I think. I do not know the circumstances of his career, but I think he was living in Great Britain before the war as a teacher of physics in one of the universities. I think he had come to Great Britain in 1934 as a refugee from Nazi oppression.

Mr. BATER: Is that right!

Mr. GRAYDON: I understood that before the spy trials very extensive examinations of the suspects and of those who were about to be charged were made; and I would have thought that at that time there was an opportunity to find out the whole background of Fuchs; and then, after that, transmit the information to the United Kingdom government. I rather fancy that if a full examination had been made at that time it would have identified Fuchs sufficiently to the United Kingdom government and to everybody.

Hon. Mr. PEARSON: We had 140 Canadians on that list, and I think it was our duty to find out all about them and their background. There were five United Kingdom residents on that list and those five names were made available to the United Kingdom. Surely it was their duty to look after those five names, in view of the fact that they knew from where those names came.

Mr. CROLL: Was not Fuchs an employee of the British in 1946?

Hon. Mr. PEARSON: Yes, a very important employee of the United Kingdom government at that time.

Mr. CROLL: I understand he was one of their very top men.

Mr. COLDWELL: I think we have got all the information the minister can give us and all we can expect.

Mr. GRAYDON: I can appreciate that that is all the information the minister can give us, but it does not tie up the answer so far as I am concerned.

Mr. STICK: As I understand it, this man came to England from Germany; that the British Government sent him out here, and then later asked him to come back. It is the responsibility of the United Kingdom government I think. We carried out our contract in the matter.

Mr. COTE: Do you not think it would have been odd for us to come forward in the way suggested by an hon. member? If we had of our own goodwill investigated that man who had been sent over here by the United Kingdom government, one of our allies, do you not think it would have tended to create



suspicion with respect to our great ally, our mother country for us to investigate and to go further than their instructions with regard to any man they would send here and say to us: Keep this man until we call him back.

Mr. CROLL: There were 143 Canadian names in that little black book which we investigated, and 160 names of American people living in the United States which names were sent to the Americans and they investigated them. There were five names listed in the little book of British residents living in Great Britain and we made available to them their names, and we presume they investigated them. That is the whole story.

Hon. Mr. PEARSON: That is the situation.

Mr. DICKEY: As far as Canadian responsibility is concerned it appears to me that the Canadian government—judging from the talk concerning this investigation—went too far, to the detriment of the civil liberties of certain Canadians. Is not that correct?

The CHAIRMAN: Are you ready for the next order of business? I believe the minister wants to make a statement with regard to the Information Division of the Department of External Affairs. Have you any further questions, Mr. Graydon?

Mr. GRAYDON: No.

The CHAIRMAN: We will now take up the item dealing with the Information Division of the Department of External Affairs.

Hon. Mr. PEARSON: That on page 113 Publicity and Information.

Mr. GRAYDON: Well, Mr. Chairman, I take it we are not finished with administration as yet?

The CHAIRMAN: No, the minister is still dealing with it but in the meantime he would like to make a statement on this division.

Hon. Mr. PEARSON: I am in the hands of the committee; if any members of the committee prefer to take up something else, I don't mind.

Mr. GRAYDON: Well, as long as we have administration open.

The CHAIRMAN: Oh yes, that remains open.

Hon. Mr. PEARSON: I should also like to make a statement before I go on to the purchase of property abroad, the item which appeared in the estimates last year with a value of \$1 and I would like to give you some information about that.

Mr. PICARD: That would be fine. Mr. Pearson, particularly in view of the fact that that matter came up for attention in the Public Accounts committee today.

Mr. GRAYDON: So long as it is understood that administration is still open. Could the minister tell us how long he will be available to the committee?

Hon. Mr. PEARSON: I am at your disposal all of this week. I am leaving for London next week and will be back around the end of the month when I hope we can have further discussions on the items to which you referred. I will be happy to prepare a statement on that matter if you wish me to.

Mr. GRAYDON: There are a number of areas of tension with respect to certain countries about which we want to get further information.

The CHAIRMAN: I believe if we could have one more meeting with the minister present before he has to go overseas it should be fairly satisfactory, and then, as he said, he will be further available to the committee when he returns and if necessary we can have this matter up again at that time.

Hon. Mr. PEARSON: Mr. Chairman, my particular interest in the subject of the information activities of the department is due to certain statements that



have appeared in the press and indeed in the House of Commons on that matter, with special reference to external affairs. So I am anxious, Mr. Chairman, to put the position before the committee.

First, I saw an editorial in an Ottawa newspaper about a fortnight ago which said—and I am quoting from it because I think this a matter about which some explanation is required:

We most certainly doubt . . . whether the Department of External Affairs needs 51 publicity employees at a cost of \$226,000 a year to tell the public what it (or its minister) is doing.

And then, on Friday last, in the House of Commons, another reference was made to information expenditures in the Department of External Affairs by the leader of the official opposition when he said:

I find it extremely difficult to understand why the Department of External Affairs needs fifty-one publicity and information personnel. There are no services carried on by the Department of External Affairs similar to those carried on by the Department of Agriculture. I am satisfied that an examination of that department will show that a large part of the work of those fifty-one men is devoted to straight propaganda on behalf of the minister and the department and not to the production of information necessary for the people of Canada.

That is the end of that statement. I submit, Mr. Chairman, that these statements are based on an almost complete misunderstanding of the information activities of my department, and I would like to explain how our money is spent and what activities we do engage in.

We have not fifty-one publicity employees telling the public what the department or its minister is doing. We have fifty-one employees doing information work in the Information Division of the Department of External Affairs. Of those about the only ones who could possibly be called "publicity employees" are those who handle departmental press releases and inquiries from the press gallery in Ottawa—one officer and one stenographer in addition to the head of the division.

Only about one-sixth of the time of the other forty-eight employees is spent in helping to provide the people of Canada with information about international affairs and Canadian foreign policy; and they are doing this in an effort by the department to realize the aim so eloquently expressed in the House last November 16, by one of the committee's members, the honourable member for Peel, when he said—and I hope I may be permitted to quote from that very fine statement:

. . . we cannot hope to have the informed and intelligent support of the people of Canada in our foreign policies unless the people are informed constantly, continuously and fully as to the facts and conditions upon which the government bases those policies.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. PEARSON: Personally I thought that statement expressed very well our ambition in regard to departmental information.

Mr. GRAYDON: Of course, I was referring to the House of Commons when I said that.

Hon. Mr. PEARSON: Well, I hope I have not misrepresented what the honourable member for Peel has said.

This is a matter not of telling people in foreign countries what the department or its minister is doing; it is a matter of trying to tell people outside of Canada what the people of Canada are doing and what Canada stands for.

Within Canada my department has a responsibility, I suggest, for helping and keeping the Canadian people informed of developments in international

affairs. Outside of Canada, through our missions abroad, it is our responsibility to provide information on all things Canadian. In other words, External Affairs officers outside Canada represent the whole country, not only this department. Everyone on our staff outside of Canada is doing information work, or should be doing it.

Perhaps I should try to give you some idea of what is implied by "Canadian information work abroad", which occupies roughly about  $\frac{5}{8}$ ths of the time of the information division. A foreign magazine asks for help in finding photographs to illustrate an article on Canada; a university professor wants to study books on Canadian history; an art gallery wishes to hold an exhibition of Canadian paintings; a would-be immigrant asks about the types of farming in various parts of Canada; teachers search for classroom material; a journalist plans to write a series of articles on Canada's economy—I could go on almost endlessly. We get a surprising volume of requests for information from abroad. Those requests come from thirty or thirty-five countries, requests which are coming in to our staff comprising fifty-one per cent stenographers, clerks and all the rest.

As our people abroad, from ambassadors to third secretaries, are responsible for answering questions about Canada and trying to make Canada better understood in other countries, it is the job of our department in Ottawa to see that all our officers abroad are kept informed. We do not send them information only about departmental policy and foreign affairs; we try to make sure that they are kept supplied with up-to-date as well as background information on all important developments in Canada. Some of the material sent to them is primarily for the information of our own people abroad; some of it is suitable for use in response to enquiries; some (such as our booklet, *Canada from Sea to Sea*) is produced for the express purpose of making it available to teachers, writers, senior students and others who want to know about Canada. We also see that our offices abroad are provided with a small reference library of Canadian books, a basic supply of still pictures and a small film library.

Now, how much does all this cost in terms of service with all the foreign and commonwealth countries in which we are represented? I think there are thirty-three or more.

MR. HEENEY: Thirty-four, sir.

HON. MR. PEARSON: Thirty-four countries. Our estimates for 1950-51 are only \$103,600. The corresponding figure a year ago was \$119,000 of which about \$110,000 has been spent. The principal items included in this total for information abroad are: (1) The *Canada Year Book 1950* and the *Canada Hand Book 1950*—\$15,500. These are both publications of the Department of Trade and Commerce. The Department of External Affairs purchases a number of each book each year for distribution to and through our posts abroad. (2) *Canada from Sea to Sea*—about \$25,000. This is our only general information booklet. The first edition is now exhausted, and a second revised edition has now been prepared. It will be published in English, French, Italian, Spanish and Portuguese. The total run of the first edition was 400,000 English, 200,000 French, 100,000 Spanish and 50,000 Portuguese. It is contemplated that about the same numbers will be printed of the new edition, plus 50,000 Italian. The total cost of these 800,000 copies is approximately \$75,000, about two-thirds of which was expended in the last fiscal year. The \$25,000 now shown is the balance of the payment. (3) Sunday publications and reprints—about \$8,500. This will be used in part or in full to purchase non-governmental publications which are of value in information work abroad. For example, last year the Canadian Geographical Society produced an excellent series of reprints of articles on the Canadian provinces. A number of these were purchased and forwarded to posts abroad. (4) Photographs—about \$27,000. Almost all of the photographs used by my department in Canadian information



work abroad are purchased from the National Film Board. Photographs are a useful medium of information. They can be and are used for newspapers and periodicals, for displays, for study groups, schools, etc. Each post abroad is supplied with a basic set of photographs covering every province and every major phase of Canadian life. These sets, which have now been built up to slightly more than 500 titles each, are kept up to date and added to from time to time. Photographs are used to illustrate feature articles on various Canadian topics which are distributed through posts abroad. (5) Graphic and display material—about \$27,000. Included under this heading are such items as displays, silk screens, wall hangers, maps, charts and flags. Last year, at the request of some of our posts in the United States and with the strong support of the Government Travel Bureau, we prepared a series of three small folding panel displays consisting of photographs and captions. I mention this as an example since these displays were widely used at conventions and conferences in the United States and were considered particularly useful by our consulates.

Silk screens of Canadian paintings are purchased from the National Gallery. They are used by all posts abroad, in the offices, for occasional displays or for courtesy gifts to galleries or schools or clubs.

Wall hangers are particularly intended for wall display purposes in classrooms. The National Film Board produces these for us. There is a continuing demand for them from teachers abroad. The set consists of five sheets dealing with Canadian forestry products, mining, agriculture, creative arts, and science.

In addition to these items I have mentioned, which we purchase, a great deal of general material for Canadian information work abroad is produced on the department's own multilith machines. This includes a weekly bulletin of Canadian news, which has a circulation abroad of some 3,000, texts of important speeches and official statements for circulation abroad, occasional reference papers on subjects of current interest and reprints of articles in Canadian publications.

The Information Division also produces a set of seventeen one-page fact sheets, each dealing with one subject: Canadian geography: population, government, natural resources, trade, provinces, etc. Originally intended as an aid in answering the large number of enquiries handled, these little sheets proved very valuable in getting information about Canada circulated through schools, study groups, etc. They are produced in quantities sufficient to meet the recurring requests from our posts abroad, and so far we have used more than 200,000 sets.

It is difficult, of course, to assess the exact percentage of time which is devoted by the Information Division on the one hand to Canadian information work abroad, and on the other to information within Canada, since many officials are concerned with both. But an approximation can be made. Our estimate is that about 75 per cent to 80 per cent of the whole salary cost of \$124,320 represents Canadian information work abroad, and 20 per cent to 25 per cent represents information work within Canada.

Since the item of \$103,600 for publications, photographs, et cetera, is entirely for information work abroad, the division of costs of the return made to parliament, that is services and salaries of all employees of the division, is about \$198,000 on Canadian information work abroad, and about \$30,000 on information work in Canada; that is to say, about 87 per cent and 13 per cent respectively. At a few of the larger posts there are full-time information officers, nine or ten in all in our embassies and legations and high commissioner offices. Information work is, as I have said, one of the essential functions of a diplomatic or consular mission.

I am not apologetic, Mr. Chairman, about my department's expenditures in the field of information; except that at times I feel apologetic about the small

amount we get to carry on this work in so many countries throughout the world. When I compare the amount that we get with other countries I do at times feel a little impatient that we cannot do more. Of course, we have to cut our coat according to our cloth. In France, the amount voted for cultural and informational activities abroad for the Ministry of Foreign Affairs is in our currency over \$10 million; in the Netherlands, a country whose national income is not as large as ours, for the information services abroad, not including the Netherlands possessions abroad, the amount voted is \$473,266, exclusive of salaries; in the United Kingdom, which is not comparable because they do other work which we do not attempt to do, like the work done for the British Council, their budget for information abroad, exclusive of radio, of course—for they spend a good deal of money on short wave—is £6,725,000; the United States figure is, including radio, \$35,531,000. So our figure of something over \$200,000 to cover all our information activities abroad plus what we attempt to do through publications in this country to explain our foreign policies, is not one which can be justly charged as extravagance. I do not admit for a minute that there is any purpose in this vote at all to set up publicity agents to glorify the department or the minister. The fifty-one people, as I think I have explained, are not publicity agents in any way shape or form. It has been suggested they are temporary civil servants in the sense that they are personal appointments of the minister and are not regular civil servants. That is not the case. There is not one of those who is not a regularly appointed civil servant through the Civil Service Commission. The temporary employees are too high a proportion of the total, but it is not our fault and it is not our doing. We would like to see as many as possible made permanent, for temporaries in our whole External Affairs Department make up fifty-five per cent of that department, which also is unfortunate. The fact that there is such a high proportion of temporary employees in the Information Division has no relation to any kind of activities which may be alleged of a personal publicity character. They are all civil servants appointed as such. Now, that, I think, is all I need to say on that at the present time.

Mr. COTE: Mr. Chairman, I would like to address a few remarks to the minister. I think the minister and our government are living in a vacuum and I think the government should change its policy with regard to publicizing Canada. The minister has shown us that we are not doing the necessary things to promote Canada as a nation. If we do participate as a nation in various worldwide organizations we should tell the people what we are and what we intend to do. When we see these small sums of money being spent to promote Canada here and abroad, I think I am saying the right thing when I say that it is a shame. I think Pakistan is more articulate than we are. Of course the minister did not mention what it costs to perform that service over the radio or in the films or elsewhere but, even including these items, I do not know of any country in the world which has been spending so little to publicize itself and I do blame the government and the minister. It is a shame that Canada is not doing better in this particular field. I would criticize in addition the poor help that we give to U.N.E.S.C.O. which is much more important, in my opinion, than we consider it. After all, education is the fundamental thing if you want to have the peace, it is no use blasting our way into the markets of the world as one prime minister once said. We cannot blast our way into peace. If we do not do more for U.N.E.S.C.O.—the Americans do a great deal—I am afraid that we may lose out in other activities. We will never get where we should because of a lack of publicizing ourselves, promoting, boasting. I am in agreement with the minister. I am not only in agreement but I say that the minister and the government should get away from that inferiority complex. We should



spend a lot of money, much more in U.N.E.S.C.O., much more to promote information about Canada in the rest of the world. We are an unknown country in the world.

Mr. Low: Mr. Chairman, I wanted to ask the minister a question, entirely aside from any effort or thought to keep up with the Joneses: Just where are we falling down in our publication of things we ought to have the world know? Now, before you answer, may I say that I think Canada has been articulate enough in many respects. I think our actions have spoken much louder than our pamphlets or our radio. But what we would like to know, Mr. Minister, so as to back you up in any efforts you make to even these things up, is where we have been falling down.

Hon. Mr. PEARSON: Well, I am not complaining, Mr. Chairman, about the inadequacy of our information resources; I have accepted on behalf of the department this vote if we can get it through. We will do the best we can with that vote. Possibly it is not as necessary to publicize Canada as it is to publicize some other countries. Our actions, I hope, always will speak louder than our words and if our actions are right and good they will possibly take the place of some millions of dollars in propaganda or publicity abroad.

Mr. Low: We are not promoting a wrestling match.

Hon. Mr. PEARSON: No; and I think we are not keeping up with the Joneses. I think our figures indicate that we are not trying to do that; but it is important that other countries know something about our country as a basis for good relations and also as a background for increasing our trade and commercial contacts with those countries. What I have in mind if we were given a little more money would be the appointment of press officers in some of our consulates in the United States to help in tourist publicity and trade publicity. I think it would be useful if we had a trained information officer in a country like Australia where sometimes I think they do not know as much about Canada as they should, just as we do not know as much about Australia as we should. I think the activities of the Australian information office in Ottawa over recent years have done a good deal to make Australia better known in Canada. But I think we would be making a mistake if we tried to make too much of a splurge, and I do not think it is necessary for us to spend vast sums of money. All I am trying to do is to give my point of view that we are not being extravagant in respect of the money we now spend.

Mr. STICK: It is not a question of falling down on the job, it is rather expanding the services which we have already set up.

Mr. GRAYDON: Mr. Chairman, if I may make a comment on the minister's statement wherein he used me as a somewhat unwilling witness for his argument, I would like to make this clear, that knowing the minister as I do, I fancy he has misunderstood the purport of what I intended to convey during that discussion, because it was only a continuation of several speeches I had made on a similar subject, and for that reason there could not be any real misunderstanding, I fancy. I want to correct the minister on this. My pet peeve, if one may call it that, with respect to External Affairs for many years, and particularly since the war, was that we were not devoting enough time to discussions of external affairs in the House of Commons and if the minister would do me the honour to read some of the speeches I made before he was a minister, I think he will find this is but a continuation and an emphasis of what policy I thought parliament ought to follow. I am not raising this criticism of conditions in parliament at the moment because I think they have to some extent improved—not as much as they ought to have improved—nevertheless we are always thankful for small mercies. But there was a time, year after year, when less than two per cent of parliament's time was taken up in the discussion of external

affairs at a time when, I suppose, there was no subject that was more closely connected with the lives of our people than our foreign relations. I pleaded over the years, with some effect. Two or three years ago this committee apparently saw eye to eye with me and the report in 1947, I think it was, called for a special time to be set aside in parliament each week for the discussion of external affairs and external affairs only, in order that we would somehow get a better balance between our discussions on external affairs and our discussions which were relative to domestic matters.

I think the facts would bear me out, that I felt when I made that speech at the end of November that something ought to be done to give more information in respect to the background which the government had before they made policies of a major character on external affairs generally.

It was entirely on that basis that I was making my criticism; because I wanted the minister to be clear on that, because I did not mean to misrepresent him; and because I did not even have in mind the expenditures of the department when I made my remarks.

I do want to point this out, and I think there is much merit in the fact that we ought to have very full discussions on foreign affairs in the House of Commons because, there is no way that I know of where information on foreign affairs will get out to our people more quickly and be read more widely than by way of full debate from time to time in the House of Commons. I want to make that position quite clear—and I have not changed it since November. I hope that the minister will accept that as being my point of view because I had no other point of view in mind at the time.

Hon. Mr. PEARSON: I would not want to leave the committee in any doubt about this matter in so far as my reference to my friend Mr. Graydon is concerned. I hope that I did not misrepresent what he said—I did not mean to.

He was of course talking at that time about the debates in the House of Commons and how necessary it was to air these matters in the House of Commons. I agree that we should do all we can in that direction. I quoted Mr. Graydon's paragraph because it expressed in a very eloquent way our desire to use the Information Division and our publications on foreign affairs as a means of educating people, apart from discussions in the House of Commons. His words were very good words. We cannot hope to have the informed and intelligent support of the people of Canada in our foreign policies unless the people are informed constantly, continuously and fully as to the facts and conditions upon which the government bases those policies.

Mr. Graydon may have been referring at that time to the debates in the House of Commons but I am referring to the possible use of our Information Division to reach the same objective. So far as discussions in the House of Commons are concerned I would like to see all the discussion we can have on external affairs. Once or twice I have pleaded for more interest in external affairs in the House of Commons to empty benches and empty press gallery seats, and the debates have tailed off. Once the debate ended so suddenly that I found myself winding up a discussion when I thought it had just begun. Possibly we ourselves, in the House of Commons, are somewhat to blame for the lack of interest.

Mr. GRAYDON: There is another angle that the minister might mention in connection with that—and it is the matter of the picture changing so rapidly with new issues arising almost every week. Sometimes when discussions take place it is in connection with something that has long passed. That is one of the reasons I felt that we ought, weekly if possible, to deal with issues as they arise.

Hon. Mr. PEARSON: Possibly, Mr. Chairman, we might have a private members' hour one night a week on external affairs instead of on pipe lines?

Mr. GRAYDON: I am not an expert on that but I am told that there is an international flavour to it as well.

Mr. McCUSKER: You will have to get the consent of the opposition first.

Mr. Low: Mr. Chairman, it might be very useful to the members of this committee if, before we go into the details of the estimates, a statement could be made by someone in the department who is concerned with the particular angle of the work, as to the procedure used by the department in making an expenditure. If you do not mind, I will just explain what I mean. Let us take your administrative vote, No. 578. I thought the members ought to be aware of exactly what procedure is followed when anyone in the branch wishes to spend some money. Let us take printing, in 578. Would you have someone trace the procedure in placing an order, in checking the receipt of the printed material, in paying the bill, and in controlling the vote? Would you also indicate to the members of the committee, if you do not mind, whether or not you follow the practice of making overdrafts from unexpended balances on one item to another item where you think there has not been enough provided? I think that sort of thing would be of great assistance to us.

Hon. Mr. PEARSON: We would be very glad to do that and to go into it in the greatest possible detail—not only as to how we spend money but how we work out the estimates and the scrutiny that is given to the estimates before they appear in the House. Also, we would like particularly to go into this vote for \$1 which has caused a certain amount of attention and which I may add we attempted to explain last year, and to which no exception was then taken either in this committee or in the House. I think perhaps we could go into that in greater detail this year. The procedure in respect to that \$1 vote, I may say, was adopted by the department and by the government on the advice of the law officers of the treasury board. We were told that was the way that it should be done.

Mr. Low: I understand that, but it seemed to me that at some time—not tonight but at some time soon—before we start on the estimates, it would be of help if we had the exact procedure. We could discuss this more intelligently if we knew the control you had.

Mr. GRAYDON: May I ask—

Mr. HEENEY: Just before you do, Mr. Graydon, I would just like to make certain of what it is that Mr. Low wishes. You are not referring particularly to the publicity end of it, you are referring to general administration?

Mr. Low: Yes, with emphasis on the machinery for controlling the vote.

Mr. GRAYDON: In the \$198,000 which the minister mentioned are there included costs of the short wave station at Sackville?

Hon. Mr. PEARSON: Not at all. That does not come in our estimates at all.

Mr. GRAYDON: So that would be in addition to the \$198,000?

Hon. Mr. PEARSON: Quite, and it involves a much greater sum of money. That station is administered by the Department of Transport and the money is expended by the C.B.C. short wave broadcasting service, in consultation with our department as to what we should send to the countries—especially those behind the iron curtain. We work with them but we have no responsibility for the estimates.

Mr. STICK: When information goes out on that short wave station do you have to pay for the time?



Hon. Mr. PEARSON: No, that vote does not cost us anything at all except that officers of the information division have to give some of their time to consult with and co-operate with the short wave people in Montreal.

Mr. STICK: That would come under salaries of the department?

Hon. Mr. PEARSON: Yes.

Mr. GRAYDON: The minister mentioned \$27,000 for maps. Has there been much demand from behind the iron curtain for maps of Canada?

Hon. Mr. PEARSON: Very little of this publicity expenditure gets behind the iron curtain under present circumstances. As far as Canada is concerned there is very little demand for maps behind the iron curtain—either geographical or human.

Mr. PICARD: The minister mentioned a moment ago the advisability of making a statement on this item 67 in the estimates—the vote for \$1—which is being used in foreign countries for legations. The point was raised this afternoon in the Public Accounts committee and discussed quite extensively. I do not think we would want to take up much of your time but I wonder if this would not be the time and place for you to give us some information in relation to that vote.

Hon. Mr. PEARSON: I would like to go into that in more detail when I have had a chance to see what was said this afternoon. I could say something about it now.

Mr. Low: Could not that come in under the procedure for dealing with your vote?

Mr. PICARD: Well, it is a separate thing.

Hon. Mr. PEARSON: I want to deal with that matter especially because it is a complicated item. It seems to have created some criticism and misunderstanding and I would like to clear it up if possible.

The CHAIRMAN: It is item 67 on page 10.

Mr. FRASER: May I ask the minister one question about publicity? In these various figures which he has given, on the Canada Year Book, Canada From Sea to Sea, reprints of photographs, and so on, are there any other government departments doing similar work?

Hon. Mr. PEARSON: The only other government department that is doing that kind of work at all would be the tourist bureau and its activities are mostly in the United States. It is specialized tourist advertising. Trade and Commerce through their trade commissioners offices, where we are not represented diplomatically, distribute a certain amount of literature of this kind. They get it from our Information Division. It is part of our product but in a country like Venezuela we would ship the trade commissioner in Caracas as much of the material as he would request and he would be responsible for its distribution.

Mr. GRAYDON: What is being done by the department now, in their publicity work, in the way of extending the tourist trade to those countries where the publications are going?

Hon. Mr. PEARSON: Well, tourist advertising as such is confined almost entirely to the United States. It is not very realistic or useful at the present time to engage in much tourist advertising in the sterling area because they are not given dollars to come to this country.

Mr. GRAYDON: Of course they are not all in the sterling area?

Hon. Mr. PEARSON: No, but it is not easy for countries in the Latin American dollar area to come to this country.



There is certain background advertising done, but the great bulk of the activity is in the United States where we get, out of a total of roughly \$300,000,000 of tourist expenditure last year, all but \$12,000,000 or \$13,000,000. I would have to check the exact figures but that is where we concentrate our advertising.

Mr. STICK: You mentioned sending information abroad via Trade and Commerce. I take it there is strict liaison between Trade and Commerce and your department to see that there will be no overlapping.

Hon. Mr. PEARSON: Yes. We have an inter-departmental committee on information activities abroad, which includes membership from Trade and Commerce, the Tourist Bureau, and the C.B.C. We try to ensure that there is no overlapping.

Mr. STICK: I ask that question because there was a rather live issue before the royal commission as to whether there had been some overlapping.

Hon. Mr. PEARSON: That is the purpose of our inter-departmental committee.

Mr. DICKEY: I wonder if the minister could tell us something about the activities of the department with respect to speakers as mentioned in the report. What would that amount to?

Hon. Mr. PEARSON: At the moment very little in terms of expenditure.

Mr. Low: Were you not first going to deal with that \$1 item?

Hon. Mr. PEARSON: Mr. Heeney tells me that we have a \$25,000 vote for that, and that we used about \$20,000 of it.

Mr. DICKEY: What about the item "visitors and speakers"?

Hon. Mr. PEARSON: This is a vote for speakers. What is the number of the vote?

Mr. DICKEY: It is on page 71 of the annual report of the department.

Hon. Mr. PEARSON: I am told there was no special item for that, but that the amount of money spent on it is very small indeed. What is the figure?

Mr. HEENEY: \$1,000 is the amount we asked for.

Hon. Mr. PEARSON: We asked for \$1,000 this year.

Mr. HEENEY: It comes out of 103.

Mr. GRAYDON: With respect to the \$15,500 which was mentioned as being the amount paid for Canadian Hand Books and The Canada Year Book, may I ask what distribution is made of these books and to what countries would the largest distribution be made?

Hon. Mr. PEARSON: I cannot give you that information off hand, but I can certainly get it for you and I think we can probably break it down in detail for you.

Mr. GRAYDON: And when that is being done perhaps the department officials will break down the other items mentioned, showing the major countries to which this material goes?

Hon. Mr. PEARSON: It is possible to get all that detailed information.

Mr. PICARD: May we come to item 67. Mr. Chairman. I am rather interested in it.

The CHAIRMAN: Are there any further question?

Mr. GRAYDON: Might I ask the minister this question: he spoke about those who were properly styled publicity people within his department. May I ask who is the head of publicity in your department now?

Hon. Mr. PEARSON: It is not a publicity department. It is the Information Division of the department and the head of the information division is Mr. Allan Anderson. He took Mr. Rae's place a year ago, as head of the information division. He is a member of our foreign service. Mr. Rae himself had been a

diplomatic officer and was transferred to a diplomatic post. Mr. Anderson, his assistant, took over from him. The officers in the Information Division are interchangeable with other officers in the department. We have some there now who have returned from embassies abroad and others who were obtained through the Civil Service Commission by special examination.

Mr. CÔTÉ: May I ask who is the officer in charge of French publications?

Hon. Mr. PEARSON: The officer in charge of French publications in the Information Division is Mr. Paul Tremblay, who up to about six months or a year ago was the second secretary in Chile.

Mr. GRAYDON: Just what is the structure of the information division with respect to the various officers who are in it?

Hon. Mr. PEARSON: You mean the duties they are performing?

Mr. GRAYDON: Yes.

Hon. Mr. PEARSON: Possibly you might let me produce that at the next meeting and we will break it down into a chart showing what everybody does in that division.

Mr. GRAYDON: That is what I would like to have.

The CHAIRMAN: Shall we go on to item 67 now or deal with it at the next meeting.

Mr. CÔTÉ: At the next meeting.

The CHAIRMAN: Will that be very elaborate to explain, Mr. Pearson?

Mr. CÔTÉ: At the next meeting.

The CHAIRMAN: Well, I think we could get a brief statement, unless we want to work until 12 o'clock. Item 67, \$1.

Hon. Mr. PEARSON: I would like to put this on the record and then perhaps come back to it later in greater detail. Maybe I should read the vote itself. Vote 67 reads as follows:

Vote '67—To authorize the use during the fiscal year 1950-51 in payment for the acquisition, improvement or furnishing of properties for Canadian Government offices and residences in foreign countries of inconvertible foreign currencies from deposits of such currencies which may be used only for governmental or other limited purposes in these countries and which have been received by the Government of Canada from other governments in settlement of claims arising out of military operations or war expenditures. . . . . \$1.

The background of the vote arises out of our efforts to secure from these governments some payment for military relief and other post-war Canadian dollar expenditures in those countries. We had to negotiate—and the negotiations were very complicated and difficult—and conducted separately with every country concerned. The United States and the United Kingdom conducted similar negotiations, but we acted independently of them, of course. We made these arrangements, and they had to be made in a form which would make possible the expenditure by the Canadian government of local currency without transferring that currency to Canada because of their dollar difficulties. We would not press them to do that.

We thought we had been pretty successful in the arrangements we made for Canadian government expenditures in those countries in a form which did not require currency to be transferred, because if we had insisted on the transference, we would have got practically nothing, and those expenditures would have been made by Canadian dollar appropriations. So we were rather pleased with ourselves in getting these arrangements quite apart from the technical problem of whether they should have been included in this form in the estimates.

When consideration was being given to the use of these blocked funds for the purchase of premises abroad and for other governmental expenditures in this country, the present Prime Minister was then the Secretary of State for External Affairs, and he informed the heads of our missions abroad in the different countries where there were military relief credits that the same consideration had to be given to the purchase of premises from these blocked funds as would be given to purchases were they made from regular departmental appropriations. In other words, we did not want our people abroad—if I may use the expression—to splurge because they were getting free money over there because it would obviously be bad policy; and furthermore, while they might have free money now, these premises would have to be kept up in the future by money voted in Canada. So we insisted they adopt the same practices and make the same recommendations having great regard to economy as they would have made if asking for a vote from Canadian dollar appropriations. The Secretary of State for External Affairs said in his dispatch to every diplomatic representative:

I wish to emphasize that the same consideration should apply to the selection of premises that may be available under this scheme as would apply if the premises were being purchased for cash. I would not be ready to recommend to Council the payment of an unreasonably high price even though payment were to be made in the form of a credit against military relief obligations, nor would I recommend the purchase of premises larger than were necessary, even if the price were reasonable, since the maintenance costs could not be justified.

So we did our best to follow the dictates of economy and good business in using these funds as they became available.

The department by itself, of course, has not unlimited spending power under this dollar item, as all purchases under it have to be approved by the Treasury Board. We cannot use this to buy embassies without going to the Treasury Board and getting our application for the use of these funds approved by the Treasury Board.

No specific report is made to the House of purchases made in this way although the price of the purchase is listed in the public accounts; and the department normally expects to report to the Standing Committee on External Affairs on its acquisition of property during the previous year.

And in conclusion of this stage of the explanation, this procedure was suggested to us by the law officers in consultation with the Treasury Board.

MR. STICK: That agreement was negotiated, let us say, so that Yugoslavia would pay us for the debt they owed us in their own currency and that would be used in Yugoslavia for whatever mission we have there instead of using Canadian dollars?

HON. MR. PEARSON: Yes, and with no transfer of funds.

MR. PICARD: I think you mentioned the upkeep of these premises. I suppose these credits would last until they were exhausted, and they could be used for that purpose?

HON. MR. PEARSON: We can draw on these credits for the upkeep of these premises and for other governmental expenditures in that country which are approved. That is why the minister in charge at that time cautioned the officers abroad not to be extravagant in their recommendations for purchases because, though we had this money, these military credits, nevertheless, when those credits become exhausted the upkeep would have to be taken care of by appropriations.

MR. PICARD: Is it fair to assume that sums of money outstanding in many countries would take care of these countries for a good many years?



Hon. Mr. PEARSON: We think we negotiated a very good deal with these countries.

Mr. PICARD: My point is that they will be cared for for quite a long time through these funds?

Hon. Mr. PEARSON: In some countries it will cover a period of years.

Mr. STICK: Would that apply to Great Britain?

Hon. Mr. PEARSON: No. That does not apply to Great Britain.

Mr. Low: So \$1 is put in this vote to keep it open because you have indefinite amounts to work to?

Hon. Mr. PEARSON: Yes. We have no idea what the expenditures are going to be. But before we can make any expenditure we have to get the approval of the Treasury Board of this \$1 vote first of all, and to bring the matter before this committee or before the House of Commons so that any member can get up and ask: "What does that mean?" and criticize the vote to his heart's content.

I might say that a vote in this form went through last year; it went through the House of Commons and nobody criticized it at all at that time.

Mr. STICK: That is correct. Now, Mr. Chairman, I move that we adjourn.

The CHAIRMAN: I want to thank the members of the committee and also the minister for being here this evening.

Our next meeting, as you know, was to be held on Thursday of this week at 11 a.m., but the minister informs me that there is a cabinet meeting at that time; so we shall adjourn until Thursday and you will be notified later of the exact time.

The committee adjourned.









Canada External Affairs, Stand  
SESSION 1950

HOUSE OF COMMONS

Government  
Publications

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS

AND

EVIDENCE

No. 4

THURSDAY, MAY 4, 1950

Main Estimates of the Department of External Affairs—Items 64  
and 67—Departmental Administration

The Honourable Mr. LESTER B. PEARSON

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.P.  
KING'S PRINTER AND CONTROLLER OF STATIONERY  
1950





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ON  
EXTERNAL AFFAIRS

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*Vice-Chairman:* Gordon Graydon, Esq.

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<i>Matane</i> )	Green	Richard. ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey		

*Clerk:* Antonio Plouffe.

## MINUTES OF PROCEEDINGS

THURSDAY, May 4, 1950.

The Standing Committee on External Affairs met at 4 o'clock. Mr. J. A. Bradette, Chairman, presiding.

*Present:* Messrs. Bater, Bradette, Campney, Coldwell, Fournier (*Maison-neuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Hansell, Leger, Low, Macnaughton, McCusker, Noseworthy, Mutch, Pearson, Richard (*Ottawa East*), Robinson, Stick.—21

*In attendance:* Messrs. A. D. P. Heeney, H. O. Moran, S. D. Hemsley and F. M. Tovell.

The Chairman announced a change of procedure beginning Monday, May 8th (*see today's evidence*).

### *Item 67*

The Honourable Mr. Lester B. Pearson read a statement on the above item and he was examined thereon.

In this respect it was agreed to call an official of the Treasury Board.

Mr. Pearson was also questioned on:

1. The alleged existence of a treaty between Canada and the U.S.A. on pipe lines routes;
2. The appearance of the Canadian Minister in Washington before the United States Federal Power Commission respecting the export of natural gas to Chatham;
3. The proposed Japanese Treaty;
4. The negotiation of a Pacific Pact;
5. The cost of the Canadian Delegation flight to Colombo.

On behalf of the Committee, Mr. Graydon expressed his best wishes to the Minister on his pending departure for London.

At 5.40 the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## EVIDENCE

HOUSE OF COMMONS,

THURSDAY, May 4, 1950.

The Standing Committee on External Affairs met this day at 4 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Order. I now call the meeting to order. Gentlemen, there is a change in our procedure. Since we last met on Monday evening, it has been found impossible for Messrs. Eudes and Jutras to make their statements next week as originally proposed and agreed upon. It is suggested that their presentation be made during the week of Monday, May 22 when both Messrs. Eudes and Jutras will be ready.

It is therefore suggested that Mr. Heeney follow the minister as previously agreed, beginning next week.

What is your pleasure?

Mr. GRAYDON: Were they coming on next week?

The CHAIRMAN: Yes. But Mr. Jutras and particularly, Mr. Eudes, who is away, won't be well prepared, so they want to come on the week after next.

Mr. GRAYDON: I should think the committee would like to meet their convenience because it makes no difference to us. We would go on with other work.

The CHAIRMAN: It was therefore suggested that Mr. Heeney follow the minister as previously agreed.

Mr. GRAYDON: But will Mr. Heeney be ready?

Mr. HEENEY: He can be ready.

The CHAIRMAN: I believe it is now in order for the minister to proceed.

Mr. COLDWELL: Is the minister going to elaborate on what he said on Monday night in regard to blocked currency in these countries?

Hon. Mr. PEARSON: You mean the dollar item in the estimates?

Mr. COLDWELL: There is nothing in the estimates in the way of a sum of money, and it seemed to me there might be some further explanation given as to what property has been acquired and how the money has been spent, perhaps as expressed in Canadian dollars.

Hon. Mr. PEARSON: I have a complete statement on that matter which I would be very glad to give to the committee if the committee so desires, since this is a matter which has caused so much interest.

The CHAIRMAN: Agreed.

Hon. Mr. PEARSON: I have seen the Auditor General's report concerning the one dollar item in my department's estimates and I have read in the press of the discussions which have taken place on this subject in the Public Accounts Committee. I feel it would be useful if in addition to the general remarks which I made about this item at the meeting on May 1 of the Standing Committee on External Affairs I made a more comprehensive statement describing the moneys involved under this vote, the manner in which they were obtained, the purposes for which they will be used and the reason for this



vote appearing in its present form. I do not propose giving figures in respect of total claims, amounts of settlement, etc., because these are more appropriately matters for the Department of Finance and I understand that Mr. Sinclair intends to make a more detailed statement in Parliament at a later date when he will furnish these figures.

During the last war the civilian organizations of the allied countries followed the advance of the armies and distributed food, clothing and medical supplies to the civilian populations of the liberated European countries. The receiving countries included France, Belgium, the Netherlands, Luxembourg, Denmark, Norway, Italy, Greece and Yugoslavia. The supplies were provided by the United States, the United Kingdom and Canada to a total of about \$1,746,300,000. It was always understood that they were being furnished to the citizens of those countries on a repayment basis.

In the post-war years a committee known as the Tripartite Settlement Committee with headquarters in Washington examined the accounts submitted by the three supplying countries and determined the total cost of the goods distributed in all of the European countries as well as the amounts which had been furnished by each of the three countries. It was obviously impossible to determine what proportion of each country's supplies had gone into any particular European country. Therefore, it was decided that each supplying country would recover its expenditures on a percentage basis. It was calculated that Canada had supplied 5.3 per cent of the over-all total and accordingly was entitled to seek reimbursement from each receiving country in the amount of 5.3 per cent of the total military supplies bill for that country. For example, in the case of the Netherlands the total value of supplies distributed in that country was about 270 millions. Canada's claim against the Netherlands was 5.3 per cent of that amount or \$13,839,170.

Under the procedure agreed by the Tripartite Settlement Committee Canada presented a note to the government of each European country concerned advising of the total amount owing to Canada. These were identical notes except in the case of Italy and Greece where, having regard to the economic conditions in those two countries, it was stated that Canada would seek only nominal payment.

Although there were conversations from time to time between representatives of the Canadian government and representatives in Ottawa of the foreign governments concerning our military relief credits no direct negotiations took place, except in the case of the Netherlands, until early this year when Mr. James Sinclair, Parliamentary Assistant to the Minister of Finance, visited Europe to arrange the settlement of these accounts. He met with government representatives of all of the countries concerned except the Netherlands with whom a settlement had been completed in 1948 and Greece where, because of the unstable political situation, inter-governmental negotiations were not possible.

Within the past few weeks formal notes confirming the details of settlement have been exchanged between the Canadian government and the governments of Yugoslavia, France and Denmark. It is expected that similar exchanges of notes will be carried out shortly with the other governments with whom Mr. Sinclair had discussions. So much for the moneys which will be used under this vote and the manner in which they were obtained.

The purposes for which these currencies will be used are set out in the wording of vote 67 of our estimates. By 1948 it had become apparent that the economic recovery of Europe had not been sufficient to permit these countries to settle our claims entirely in Canadian dollars. It was equally apparent that there were some countries which would find it impossible to make any payment in Canadian dollars. In fact, the United States govern-

ment normally lumped their military relief claims with other claims on which it made settlements involving considerable write-offs. The United Kingdom government took similar action in a number of cases.

When it was accepted that at least partial payment of the claims would have to be in foreign currencies which could not be used for ordinary commercial purposes, consideration was given to the manner in which the Canadian government could profitably use these moneys. A number of Canadian diplomatic missions had just been opened or were in the process of being opened in Europe and the problem of both office and living accommodation was presenting considerable difficulty. Excessive rentals were being asked for the few leased premises which were available and our experience was that appropriate residences for Canadian heads of mission could, in most cases, be acquired only by purchase. Accordingly, it was decided that one way in which these local currencies could be used to advantage would be by purchasing premises and furnishings, provided suitable buildings at reasonable prices were available.

This brings me to the form of vote 67 which first appeared in our supplementary estimates for 1948-49. From the review which I have given you of this matter, you will see that when we were preparing our estimates for the fiscal year ending March 31, 1949, we were faced with one known factor and four unknown factors. It was known that the foreign currencies which would be deposited to the credit of the Canadian government in northwest Europe could be used for the purchase of properties, provided the premises were suitable and the price was reasonable. The unknown factors were:—

- (a) Would the military relief accounts be settled before the end of that fiscal year?
- (b) What would be the level of real estate values in the various countries at the time purchases would be contemplated?
- (c) Would a residence or a chancery or both be purchased in any particular country?
- (d) What amounts would be available from these settlements and in what period would we be able to make the expenditures, having regard to availabilities and to the limited staff at our disposal to carry out the transactions?

We recognized that, in these circumstances, it would be extremely difficult to insert a figure in our estimates for any twelve-month period which would approximate reality. At the same time it was necessary to draw the attention of parliament to the fact that these blocked currencies existed. It was also necessary to obtain parliamentary approval of the purposes for which it was proposed these moneys should be used. It was decided that these conditions could be best met by inserting a vote in the form of the present vote 67.

Members will also appreciate that our bargaining position both as regards the settlement of the military relief accounts as well as the purchase of any properties, could be prejudiced if estimated expenditure figures were published before such negotiations commenced.

An item of this kind first appeared in the estimates of the Department of External Affairs for the fiscal year as I said ending March 31, 1949. The same item was included in the department's estimates for the year ending March 31, 1950. The nature and purpose of the item were explained to this committee on November 23, 1949, and were accepted by the committee including most of those members who are now raising some doubts as to the form of the vote.

I can assure those members who now take objection to a procedure which they have found, I assume, satisfactory for the past two years, that we are prepared to meet their proposals for the revision of this vote in any way that is legal and workable.

That is the story of the one dollar item.

Mr. COLDWELL: Have any moneys been expended for salaries or for purchase?

Mr. HEENEY: \$137,000 has been spent for the purchase of a legation in Copenhagen.

Mr. COLDWELL: And when was that purchase made?

Mr. HEENEY: In the last fiscal year.

Mr. COLDWELL: Why would it not have been included in this 1949-50 column? That is what puzzled me. If anything had been spent why was it not reported to the House of Commons? These estimates were printed some time ago.

Hon. Mr. PEARSON: I suggest that the explanation is that when these estimates were actually prepared toward the end of last year no money had been spent. But since these estimates were prepared, there has arisen that one item of \$137,000 which has been spent for the purchase of a legation in Copenhagen.

Mr. COLDWELL: If money had been spent out of these funds, why would it not be enumerated in this column?

Mr. Low: The column 1949-50 does not contain the items spent, but rather what was voted. You have that column in there for comparative purposes only. It sets out the amounts voted, not the amounts spent.

Mr. COLDWELL: I suppose that is correct.

The CHAIRMAN: Would it not be preferable before the question period for the minister to finish his statement?

Mr. COLDWELL: Oh, I thought he had finished his statement.

Hon. Mr. PEARSON: No. I have some more to finish here.

Mr. COLDWELL: I am sorry. The minister looked up.

Hon. Mr. PEARSON: I shall try not to look up again until I am finished.

Mr. STICK: That is the procedure we adopted last time?

The CHAIRMAN: Yes, and I think it worked well.

Hon. Mr. PEARSON: I have made it fuller than perhaps was necessary but I felt that a complete review of the situation was desirable because, when reading reports of discussions and statements on the subject, I gained the impression that a number of members, some of whom sit on this committee were somewhat confused as to the origin of the currencies, the method of settlement with the countries concerned and the manner in which expenditures would be accounted for.

Perhaps before concluding, I should refer to some of the questions on which clarification appears necessary. It has been stated, I think, by the Auditor General, that these moneys must be spent in the country of origin. This is not correct. In more than one case we have arranged under the terms of settlement that the currency of one country may be used for specified purchases in another European country.

I have seen a statement that the External Affairs expenditures for property purchases are not shown in the public accounts and do not appear in any published record. May I direct your attention to page E-10 of the public accounts of Canada for the fiscal year ended March 31, 1949. There you will see vote 698 which is the one dollar item in the same form as it appears under vote 67 in the estimates which you are now considering. As foot-notes to this vote you find explanations of two purchases made by the Department of External Affairs during that fiscal year—one of furnishings in Denmark and one a property purchased in the Netherlands.

Does that conflict with what you said a minute ago, Mr. Heeney?

Mr. HEENEY: No.

Hon. Mr. PEARSON: I assume the public accounts for the fiscal year ended 31st March, 1950, will show the details of two property purchases carried out in that twelve month period.



It is Mr. Wright, I believe, who is reported to have made the statement that "we as parliament have never made any vote to the Department of External Affairs for the purchase of properties in other countries". As members of this committee know, there has been included every year an amount to cover our intended purchases except those for which blocked currencies will be used. The estimated costs of these proposed purchases have been included in our capital items and have been the subject of discussion in this committee in other years. I would expect that a discussion of the same nature will take place in the committee this year.

Purchases under the one dollar item were discussed by this committee last year and, if you look at page 91 of the report of last year's meetings, you will see that the Under-Secretary reported that purchases by the department in Paris, in Rome and in Copenhagen, were under consideration. Mr. Heeney explained that these purchases would not involve expenditures apart from the blocked funds available in those countries. Mr. Heeney went on to give a review of our property position in all of the European countries to which Mr. Fleming had referred when describing his trip through Europe.

As committee members know, the department does not have, as has been suggested, a free hand in the expenditure of blocked currencies. Each proposed purchase must be submitted to and approved in advance by Treasury Board. Before any such submission is prepared, the Under-Secretary and the minister must satisfy themselves that the proposal represents good value for Canada. I can best describe our policy by repeating the excerpt which I read to you at our meeting of May 1, from the instructions on this matter which the Secretary of State for External Affairs issued to the Canadian heads of missions in each of the European countries where we have a military relief credit:

I wish to emphasize that the same considerations should apply to the selection of premises that may be available under this scheme as would apply if the premises were being purchased for cash. I would not be ready to recommend to Council the payment of an unreasonably high price even though payment were to be made in the form of a credit against military relief obligations, nor would I recommend the purchase of premises larger than were necessary, even if the price were reasonable, since the maintenance costs could not be justified.

That is the end of my statement, Mr. Chairman.

MR. STICK: In the purchase of property like that have you a staff there to assess the value, or do you call in the Public Works? Do you call on them, or is it all confined to External Affairs?

HON. MR. PEARSON: We have a man in Europe, a departmental official, who is concerned with property matters generally; and he usually calls in a valuator from the country concerned who would be in a better position to evaluate the property than somebody we might send, let us say, from Ottawa to Denmark. Our departmental architect and property supervisor is Mr. Antoine Monette.

MR. COLDWELL: He was here in Ottawa and appeared before us.

HON. MR. PEARSON: He is a member of the External Affairs service.

MR. COLDWELL: And he looks after property in Europe and South America?

HON. MR. PEARSON: Oh, yes. It is an impossible job for one man to do. Now I would like to have the Under-Secretary explain his statement of a moment ago that we have made only one purchase.

MR. HEENEY: The statement I made was quite correct. That is the only expenditure from this vote in the last fiscal year, that \$137,000 for the purchase of a legation in Copenhagen.

Two other matters to which the minister referred in his statement were intended to be charged to this vote, but due to a technicality they could not be



so charged and they had to be absorbed otherwise through normal capital expenditure items in the departmental estimates.

Mr. FRASER: The minister did not say how much they had collected in each country.

Hon. Mr. PEARSON: No. I think I said that Mr. Sinclair is making a detailed statement on the amount collected in regard to the settlements with each country. I have not got the figures.

Mr. FRASER: How do you know then that you had that much money to spend in Copenhagen?

Hon. Mr. PEARSON: Because we knew as a result of the settlement with Denmark, we would have more than that amount.

Mr. FRASER: That is the only amount that you know of?

Hon. Mr. PEARSON: Even at that time we had not made a final arrangement with Denmark as to the final amount.

Mr. MORAN: Denmark offered to advance that sum against the eventual settlement?

Mr. FRASER: This was a part payment?

Hon. Mr. PEARSON: Yes, a part payment. We knew it would be more than that and it was a sort of first instalment which we used for this purpose.

Mr. FRASER: Do you contemplate any other purchases in the other countries?

Hon. Mr. PEARSON: Yes, we do.

Mr. FRASER: What other countries?

Hon. Mr. PEARSON: If we can get suitable premises—perhaps Mr. Heeney could answer your question.

Mr. HEENEY: The committee will understand why it is only possible to digest a limited number of such purchases at a time. We are trying to be very careful in order to get premises which are appropriate. The properties now being given consideration, which I saw when I was in Europe quite recently, are in Paris and in Rome. Those are the two we have under consideration. In fact negotiations have gone a good distance and I think it can be said now that the Rome deal has been closed. We are in a position to buy there a property which we think is suitable, and it will be chargeable against military relief.

Mr. FRASER: Did you not have property in Paris?

Mr. HEENEY: No.

Mr. FRASER: It was only leased?

Mr. HEENEY: That is right.

Mr. FRASER: And the same thing with respect to Rome?

Mr. HEENEY: That is right.

Mr. FRASER: How much is involved in the purchase at Rome?

Mr. HEENEY: I am not sure that the negotiations are closed yet.

Hon. Mr. PEARSON: I think we will be able to give you that information as soon as we are quite satisfied that the negotiations are closed. We would hate to give the figure if it is not official. We have naturally had long and hard bargaining about the properties and we are anxious to get them as soon as possible, because when we buy property, even when we pay Canadian dollars for that property, it is generally to our advantage to do so because we thereby get exemption from taxes. We do not get that kind of exemption in leased premises.

The CHAIRMAN: Are Russia and her satellite nations under that arrangement?

Hon. Mr. PEARSON: No military relief was extended to any of the communist countries. Any relief we gave to countries like Poland or Czechoslovakia was made through UNRRA.

Mr. MACNAUGHTON: It seems to be a very convenient and sound policy at least, because while blocked currency may fluctuate in value, real estate is more permanent. The American government seems to think so. I have been told that the American government is one of the biggest real estate holders in the city of Paris alone. Moreover, real estate is something which we at least can see and walk over.

Mr. FRASER: That property you buy is taxed the same as consular property is taxed here?

Hon. Mr. PEARSON: Diplomatic property is tax free except what you pay for specific services such as water and that kind of thing.

Mr. FRASER: You mean water rates.

Mr. GRAYDON: And local improvement taxes as well, I suppose?

Mr. BATER: It applies to all countries, does it not?

Hon. Mr. PEARSON: It applies to all countries where we have diplomatic premises; and we afford the same exemptions to diplomatic premises here.

Mr. Low: If you will refer to page 115 of the estimates under vote 66, Representations Abroad, I think you will see you are providing something like \$7 million odd; but under the item "Germany—Bonn, Operation Expenses", you have a capital item stated.

Mr. HEENEY: That represents both the departmental and the administration as well.

Mr. Low: I understand; but you itemize certain capital items: 113 and 115; Take "Germany—Bonn", an expenditure of \$73,001 for operational expenses, and \$34,500 for capital items. Let us stop for a moment. Suppose you had some blocked currency there. I know you would not have in that particular case; but suppose you did have, and you decided that you wanted to buy property with what is available. Now, just how do you charge that? You cannot very well charge it to the item of \$1 which gives you the authority to spend that blocked currency for the property? You must also, if you have a controlled system, deduct the item from item 66, the special item "Germany—Bonn" capital item. Is that the way you do it?

Mr. HEENEY: Speaking subject to correction when the estimates were made up that item would be known. It would be known whether blocked currency might be available, and the capital items estimated to be required during the coming year would be known. If blocked funds had been available, the expenditure would be under the authority of this vote 67. Then that \$34,500 item would not have been inserted in the capital item.

Mr. Low: But where does an item appear so that the House of Commons can vote it? That is the kind of thing I am trying to get at. It is one thing to put a dollar in there to legalize a vote; but it is another thing to spend money, even though you may not know how much you are going to have without any reference to a vote passed by the House of Commons.

Hon. Mr. PEARSON: Our difficulty in this particularly unusual financial situation is that when we made up our estimates we did not know how much we were going to get under the agreement with those foreign countries. We knew that subsequently we would make an arrangement with a country but we would not know how much we were going to get from it. But we would be missing a good business opportunity, if there were a chance to use that money during the intervening period to purchase an embassy, and we could not take advantage of that opportunity because of having to wait until the next estimates to see whether you would put that amount in.

Mr. Low: I quite appreciate that but is there not some way by which you can show an item as a capital item in one of these particular places where you

know you are going to have some of this blocked currency and have it voted by parliament, and then when the amount of money is spent, to have it checked off against that particular item?

Hon. Mr. PEARSON: When we made this estimate we did not have any money.

Mr. Low: I quite understand that, but would it not be possible to find some way of controlling your vote so that the House of Commons can deal with it in its voting?

Hon. Mr. PEARSON: I would like to see it done that way. We will shortly have information about all our financial agreements and we will know how much money we are going to get from the various governments. Then we can put in our estimates what we expect to spend under that item in the various countries, and it will come before the House in that form.

Mr. Low: Actually I hasten to say that I think it was good business to take advantage of the opportunity of recovering some of that money and using it in place of dollars which we might have to vote here; but, at the same time, I can see the point of those who criticize, because actually what happens is that money is spent without being voted by parliament. We do give authority in a legal way—by granting authority to spend a dollar—but it does not come under the control or scrutiny of members of the House of Commons.

Hon. Mr. PEARSON: I appreciate that.

Mr. Low: That is the one big point.

Mr. FRASER: May I ask the minister whether this money is paid to the Finance Department? It is not paid to your department?

Hon. Mr. PEARSON: It is deposited to the credit of the Canadian government in the capital of the country concerned.

Mr. FRASER: Which would be to the credit of the Finance Department?

Hon. Mr. PEARSON: Whoever it might be deposited to the Finance Department has to release it to us.

Mr. FRASER: That is what I am getting at—they have to make a transfer to you. Now where does that transfer show in the books—I think that is part of our trouble?

Hon. Mr. PEARSON: It shows of course in Public Accounts.

Mr. FRASER: That transfer?

Mr. GRAYDON: Well, Mr. Minister, is it really a transfer or does not that money that you get from foreign countries go into the consolidated revenue fund, and then it is voted out again to your department?

Mr. FRASER: They carry it around over there in their pockets because they cannot bring it over here; and they spend it because they cannot bring it over.

Hon. Mr. PEARSON: This money cannot be transferred to Canada and therefore it cannot be put in the consolidated revenue fund here. I think that if you desire to get a clearer picture of the mechanics of the whole matter we had better get someone from the Treasury Board or from the Department of Finance to explain exactly how it is done. They do the accounting.

Mr. LEGER: Would it not be reasonable to say that this amount is credited to the Receiver General and the Receiver General in turn makes a cheque for the amount of this \$137,000? It is a transfer?

Hon. Mr. PEARSON: May I put it this way: the money we get from country "X" amounts to we will say 1,000,000 of whatever the currency may be—and it will not be dollars. That money is deposited to the Receiver General or the government of Canada in the capital of that foreign country—let us say it is 1,000,000 guilders. We wish to take advantage of the opportunity to purchase an embassy at once in the capital of that country. We cannot use that 1,000,000



guilders for that purpose ourselves. We go to the Treasury Board and put the proposal before them and ask whether they will agree to release 100,000 of that 1,000,000 guilders for the purchase of this Canadian embassy.

Mr. BATER: Mr. Pearson, would it not be possible to advise parliament as to the credits due to Canada from each of these countries in the first place?

Hon. Mr. PEARSON: Oh yes, it will.

Mr. BATER: Supposing country "X"—and this is just information I am after—owes Canada \$10,000,000. It is acknowledged and agreed between the two countries that the debt shall be \$10,000,000. Can they not set it up somewhere so that when the payment is made it will show that \$2,000,000 for example have been paid out of that account. Would that not make it far simpler for us to see the picture?

Hon. Mr. PEARSON: We hope to have all this information on the money available very shortly. When all of the agreements are completed the details and figures will be given to the committee or given to the House of Commons by Mr. Sinclair.

Mr. COLDWELL: You will not be using dollars though?

Hon. Mr. PEARSON: No, it will be given in local currency.

Mr. GREEN: The money held in France for instance need not necessarily be used by External Affairs?

Hon. Mr. PEARSON: No, it need not necessarily be used by External Affairs; it can be used for any Canadian government purpose in that country.

Mr. Low: Would it be possible—and I see you have a capital item of \$28,000 in Yugoslavia which we are to vote this session of parliament—what do they call their currency?

Hon. Mr. PEARSON: Dinar.

Mr. Low: If you have some blocked dinar that become available and you decide to use it for some capital item, would it be possible to have that much in addition to your \$28,000 voted here, or is there some control exercised that when you spend the dinar that are available it is checked off against the \$28,000 in the vote here?

Hon. Mr. PEARSON: The dinar from military relief credits would be in addition, and therefore would not be checked off against the dollar vote in the estimates.

Mr. Low: The criticism as I see it is that it is possible for the Department of External Affairs to spend for capital items in certain countries more money than is voted by parliament. That is the criticism.

Mr. STICK: It would not be the External Affairs Department—it would be the treasury.

The CHAIRMAN: If I understood you correctly you are saying that the \$1 looks like a blank cheque. If it were referring to Canadian currency it really would be a blank cheque for the External Affairs Department; but it is not, because it is dealing with currency that we cannot expatriate to Canada.

Mr. Low: I understand that, Mr. Chairman, but if we are going to vote \$28,000 for capital items in Yugoslavia this year, parliamentary control ends at that \$28,000 that is voted. If certain dinar become available through these war advances or whatever you call them, the External Affairs Department if they desire to spend beyond the \$28,000 can do so without any parliamentary vote?

Hon. Mr. PEARSON: That is quite right and that is why we put the item in this form—\$1. We had to do it that way, but, once the agreement is reached with Yugoslavia—if it is reached—the total figure will be made available and



you will know about it. Our difficulty then disappears because actually we know what the figure is. However, it is difficult to put in the estimates the amount of dinar—and not dollars.

Mr. HEENEY: The amount in question to be voted in connection with Belgrade has to do with purchases in other countries rather than in Yugoslavia and blocked funds would not suffice.

Mr. FRASER: I wonder if the minister would give us, sometime in the very near future, a list of the moneys which have been spent out of this fund in any countries? You bought one embassy, but did you use any of the money in other countries?

Hon. Mr. PEARSON: No, I gave those figures in my statement and, when the statement appears in the report of the Committee, you will see the amount of money which we have spent.

Mr. FRASER: In each country?

Hon. Mr. PEARSON: We have only spent money in one country.

Mr. FRASER: You have not used any in any of the others?

Hon. Mr. PEARSON: None.

Mr. GRAYDON: Is there any reason why the department would not know at the time the estimates were prepared how much they were prepared to pay for property in any one country in Europe?

It seems to me the real problem in respect of the \$1 is if that were to be a precedent with respect to the External Affairs Department it would mean that it could be used in another case as it is here. Once you give a department \$1 with the idea they can expand on it to any extent they like, then you lose parliamentary control over the expenditure. I still cannot see why the department would not know how much they were going to spend—regardless of how the payment was being made.

Mr. MACNAUGHTON: One answer is that the department until very recently would not know the value of the blocked currency—it shifts up and down so that it is almost impossible to know what it is worth.

Hon. Mr. PEARSON: On the accounting procedure and difficulties and dangers—and there are dangers—I suggest that we get before us a representative of the Treasury Board who has all these details at his command in a way which I have not. I appreciate what has been said.

Mr. MUTCH: Mr. Pearson makes the suggestion that we should have an accountant?

Hon. Mr. PEARSON: I would like to have an accounting expert from the Treasury Board describe exactly how it is done, what accounting principles are involved, and the particular difficulties of the situation where we are getting military relief money in foreign currency—money which cannot be transferred into dollars and which therefore cannot be transferred into our funds.

Mr. ROBINSON: In public accounts the other day it was called an “abnormal situation”.

Hon. Mr. PEARSON: It is an abnormal situation.

Mr. GRAYDON: Does that mean that when you put in a dollar for this purpose that what you intend to do is to spend whatever the amount of blocked currency may turn out to be in that country?

Hon. Mr. PEARSON: Not necessarily.

Mr. GRAYDON: If that is the case I should think that the department ought to be able to put down in black and white in the estimates the amount that they are prepared to spend for an embassy or whatever it is in the various countries, the method that they wish to use to pay for it, and whether there are guilders

or dinars available is a matter for another department. I do think it is the responsibility of external affairs to saying how much they require for foreign purposes in the next year?

Hon. Mr. PEARSON: That can be done but in my statement I explained the difficulties. At the time our estimates were made up we had no knowledge as to whether we would be getting any money at all. We had long, tough negotiations to get any settlements.

Mr. GRAYDON: Would we not know next year?

Hon. Mr. PEARSON: Yes, by next year we will know exactly how much will be credited to us in these respective currencies and we ought to have some idea of whether we are going to require any more than that amount.

Mr. GREEN: Then you are never going to show a \$1 item again; is that what it adds up to?

Hon. Mr. PEARSON: If we have a chance of recovering some money in the future, which can only be obtained on an inconvertible basis, we may desire to do so. We have to find some way by which we will show it—I do not know whether we will ever have to do it this way.

Mr. Low: I would be content for next year if you would deduct whatever credits are used from the vote shown here?

Hon. Mr. PEARSON: There is another aspect which is not easy to talk about in public session. We had a very hard time indeed in getting money out of country "X". They thought we should charge it up to the war and forget about it. We felt they were in a position to make some repayment of military relief credits. They would ask us what we would use it for in their country. If we had shown in advance, in our estimates, that we only needed 125,000 x's to spend in that country we would have had a very hard time getting 500,000 x's in settlement of military relief. However, we can use the additional amount between 125,000 x's and 500,000 x's for the purchases in that country of things we may need from other countries in years to come. Once we have an agreement signed we will be able to make the figure public and parliament will know what we are getting and how much we are spending. Until the agreement is signed, however, it would not strengthen our bargaining position to tell the particular country that next year we were only going to need a nominal amount—say 100,000 x's. They would say, "All right, here is your nominal sum."

Mr. GRAYDON: You are between two fires—parliament on the one hand and the government of X.

Hon. Mr. PEARSON: Parliament is the closer fire at the moment.

Mr. MUTCH: Where the negotiations are not complete if you published a price of \$1 that you intended to spend then, as far as any other claim is concerned you would have to write it off. That is the first point. The second thing is even in these cases where you have already completed your agreements you are in a position to either spend what money you have in that country or write it off; because at the moment it is useless elsewhere.

Hon. Mr. PEARSON: There is the qualification that we might use the credit in neighbouring non-dollar countries.

Mr. MACNAUGHTON: That \$1 item is bringing in a first class capital gain.

Hon. Mr. PEARSON: I wish I could give you my own opinion as to our success in this matter as compared with other governments but I do not think I ought to do that. I think we made a good deal with these people, but I think it would have been a little more difficult if six months ago we had let them know how much money we were going to spend.

The CHAIRMAN: Do I understand it is the consensus of opinion that we will call an official of the Department of Finance?

Mr. GRAYDON: May I ask just one question. On the other side of the argument, if you had decided to spend larger amounts in that country you might find that the country would be much more agreeable to making a better deal with you?

Hon. Mr. PEARSON: I would hesitate to accept that argument.

Mr. GRAYDON: It is a possible argument.

Mr. COLDWELL: It is very plausible.

Mr. STICK: I suggest that the method of showing this dollar should be dumped, in the future, into the lap of the Auditor General.

Hon. Mr. PEARSON: I hope we will get some constructive suggestions in that regard from the Auditor General and the other accounting experts. I would like to add that if any suggestion is made by this committee and is acceptable to the accounting experts of the government we will be very happy indeed to follow that course.

Mr. FOURNIER: Is the minister aware of the procedure followed in the United Kingdom when they have expenditures to make in foreign countries?

Hon. Mr. PEARSON: No, I am not; but I think it would be very interesting to find out both the United Kingdom and the United States handling of these military relief credits in so far as expenditures in the various countries are concerned.

Mr. COLDWELL: How they deal with them in their estimates?

Hon. Mr. PEARSON: Yes.

The CHAIRMAN: Perhaps the members of the committee would want some further information from the Department of Finance about the exact amounts now blocked in these different countries, but I believe that is out of the orbit of the Department of External Affairs.

Hon. Mr. PEARSON: We could get the information but it might be more convenient and more useful to the committee if a member of the Treasury Board or the Department of Finance were here to support us in our explanations.

Mr. FRASER: I think we should have this matter ironed out because, although the minister has explained some of it and some of it has been explained in the Public Accounts Committee, yet there is still some little doubt as to just where this is shown in the estimates and where it is shown in public accounts—and just what is done with it.

Hon. Mr. PEARSON: There is no doubt about it being shown in the public accounts—I made reference to that in my statement.

Mr. FRASER: Yes, Item No. 698 page E-10.

Mr. STICK: Could we get information as to the total amount of blocked currency to the credit of treasury—not only the amount in respect of External Affairs?

Hon. Mr. PEARSON: I think we ought to get the total amount because it will be involved in the one agreement with each country.

The CHAIRMAN: Are there any more questions of the minister?

Mr. GREEN: At the sessions of the committee last fall I asked the minister whether there were any negotiations under way for a treaty between Canada and the United States covering pipe lines which crossed the boundary. At that time I got the answer that there was no treaty and there were no negotiations. Can the minister tell us what the position is today?

Hon. Mr. PEARSON: I think the position is exactly the same; I have no knowledge of any treaty or negotiations being under way concerning that matter.

Mr. GREEN: There are no negotiations under way?



Hon. Mr. PEARSON: I would have to check to make sure that my answer is accurate but, offhand, I would say that the answer is no. I will look into it.

Mr. GREEN: Then I have another question. About two weeks ago Mr. W. D. Matthews, Canadian minister in Washington, appeared before the United States Federal Power Commission in support of an application by the Panhandle Eastern Pipe Line Company for authority to export natural gas to Canada. Can the minister tell us anything about that appearance?

Hon. Mr. PEARSON: It was an application of the Union Gas Company of Chatham for gas from American sources, and they appeared before the Federal Power Commission to get permission for that to happen. The matter is still before the Federal Power Commission and I do not think any decision has been reached. I will be glad to get further details about the application if you are interested.

Mr. GREEN: On whose instructions did Mr. Matthews appear on behalf of the company?

Hon. Mr. PEARSON: He was there representing the government of Canada—he did not appear on behalf of the company. The company had its own representatives. Mr. Matthews turned up I think to follow the hearings for the government of Canada.

Mr. GREEN: No, but he gave evidence on behalf of the company.

Hon. Mr. PEARSON: Mr. Moran, I think, knows about the details.

Mr. MORAN: Some two years ago the Union Gas Company in Ontario negotiated a contract with the Panhandle Company to receive certain quantities of natural gas. Due to demands in the United States, the Panhandle Company was unable to export the required quantities to Ontario, and eventually no gas whatever could be piped to the Union Gas Company.

Mr. GREEN: They cut off the supply?

Mr. MORAN: That is right. There was an application made by some United States consumers to have the Federal Power Commission which controls the distribution of gas, to make a re-allocation to the various U.S. consumers—most of them in New York State. At that hearing the Union Gas Company put before the Federal Power Commission a submission concerning its own requirements. At that time a representative of the Canadian embassy in Washington appeared to advise the Federal Power Commission that the Canadian government was interested in a flow of natural gas to an important industrial area of Ontario. The Federal Power Commission at that time said—

Mr. GREEN: Is this the hearing of two weeks ago?

Mr. MORAN: No, that was about a year and a half ago. The Federal Power Commission at that time decided the availabilities of natural gas were not sufficient to meet all requirements and no allocations were made to the Union Gas Company. However, the Panhandle Company said they were increasing their facilities and would be in a position to produce larger quantities of gas about the beginning of 1950, at which time there would be another hearing before the Federal Power Commission. That is the hearing which has just been completed about two weeks ago. A representative of the Canadian embassy attended and made virtually the same statement as on the first occasion—that the Canadian government had an interest in a flow of gas to this important industrial area of Ontario.

As far as I can recall a plea in the name of Union Gas Company did not appear in Mr. Matthew's statement. The Federal Power Commission now has under consideration the application made by the Union Gas Company together with those of a large number of U.S. consumers. In due course the Commission will render a decision.



Mr. GREEN: In the meantime the gas is shut off? It is not allowed to be exported?

Mr. MORAN: It is not a case of not being allowed to export. But when allocations of the Panhandle Company's production were being made there was no allocation to the Union Gas Company. Perhaps I should not use the words "no allocation", because they may be getting small quantities.

Mr. GREEN: Did Mr. Matthews appear on the instructions of the Department of External Affairs or of some other department?

Hon. Mr. PEARSON: He appeared on instructions of the Department of External Affairs from which all members of embassy staffs get their instructions. He expressed the interest of the Canadian government in a supply of gas to an important industrial area in western Ontario.

Mr. GREEN: Would the Department of External Affairs get that request from another department of the government.

Hon. Mr. PEARSON: I am not familiar with the details of what other department intervened, if one did.

Mr. MORAN: The Department of Trade and Commerce is vitally interested.

Mr. GREEN: They wanted Mr. Matthews to appear for the Panhandle Company?

Mr. MORAN: There was no particular request made. There was consideration given in Ottawa to the Canadian interests and whether or not Canadian interests could be better served by a statement being made by somebody appearing before the Federal Power Commission.

Hon. Mr. PEARSON: If I remember rightly I think we had representation from some of the municipalities in that area asking us to do what we could to help the application—I think the city of Chatham was one, and I think the city of Windsor was another.

Mr. COLDWELL: Consideration was given in Ottawa by what department?

Mr. MORAN: There were three departments interested—the Department of Transport, the Department of Trade and Commerce and the Department of External Affairs.

Mr. COLDWELL: They would ask the Department of External Affairs to instruct their representative in Washington—

Hon. Mr. PEARSON:—to attend the hearing to express the interest of the Canadian government in a supply of gas to this area from across the border.

Mr. GREEN: I would like to ask Mr. Pearson concerning Canada's attitude with regard to the peace treaty with Japan. Apparently there is a conference in London at the moment between representatives of various nations of the commonwealth—

Hon. Mr. PEARSON: That is right.

Mr. GREEN: We see different reports in the press of the attitude which Canada has taken. I do not know whether the minister feels free to make any statement in that regard today. Just two days ago there was a report from London—a Canadian press despatch—setting out the views of the different nations of the commonwealth. It says Canada has indicated she is not pressing for an oppressive treaty and so on. Can the minister tell us what is the attitude of Canada with regard to this treaty?

Hon. Mr. PEARSON: I cannot go beyond what I have already said in the House and elsewhere, especially as the discussions are just beginning. But our general feelings in this matter are now pretty well known. We feel that the time has come when we should have a Japanese peace conference and bring

the occupation of Japan to a termination. And we feel that such a conference should include all those who participated in the Pacific war.

Mr. GREEN: Including Russia?

Hon. Mr. PEARSON: We believe the conference should include the U.S.S.R., the Chinese, and everybody who participated. We believe that invitations would certainly have to include all those countries; and at that conference, if one is held, we would insist that we have the full right of participation and that the veto should not operate.

The principle which we think should underlie the Japanese peace settlement should provide for the security of that area in so far as it can be done against a revived aggressive imperialistic Japan, and at the same time we cannot lose sight of the fact that security is required in that area against an attack from other sources.

Mr. GREEN: An attack by Russia?

Hon. Mr. PEARSON: Well, from other sources.

Mr. GRAYDON: Which might include Russia?

Hon. Mr. PEARSON: So you have to reconcile those two concepts of security. Now we also feel that the main responsibility in regard to this matter is that of the United States. They have the responsibility of occupation and it would be unwise for the Commonwealth, or any other group, to make recommendations in regard to a Japanese peace conference or a Japanese peace settlement without very close consultation with the United States. So it would be, I think, very unwise if the impression were created that those who meet in London represent in some form an action by the Commonwealth nations as against the United States. That is not the case at all.

We hope at this meeting in London to exchange views in a way we could not do at Colombo, because we did not have enough time, and we did not have all our far eastern experts. And we hope to get further indications of United States views.

Mr. GREEN: Will the United States have an unofficial observer at the meeting in London?

Hon. Mr. PEARSON: They will be in close touch with this meeting. The difficulty of holding a conference now is of course that any type of conference which is likely to be satisfactory to us and to other people would not be satisfactory to the U.S.S.R., who would probably insist upon a veto power.

The position of China and the Chinese government should be represented at such a conference. It might be necessary, if a general invitation was not accepted, for us to go ahead with those countries which are willing and hold a conference on terms which are satisfactory to those countries and to us.

Mr. GREEN: Is that the attitude of the Canadian government?

Hon. Mr. PEARSON: That is the attitude of the Canadian Government.

Mr. GREEN: In other words, we believe there should be a conference even if Russia should not take part?

Hon. Mr. PEARSON: Yes; but Russia should be given an opportunity to take part and if it refuses to take part, or tries to lay down conditions which are not acceptable to the rest, we do not think it should be allowed to hold up a Japanese peace conference.

Mr. GREEN: Has any consideration been given to putting in a provision to prevent Japanese fishing fleets from raiding the fishing grounds on the coast of North America? There was a strong warning given in Vancouver within the past few weeks by Edward W. Allen, who apparently has been a key member of the MacArthur Fisheries Commission and he warned people that there was

grave danger of interference from Japan if there was not a provision put in the Japanese Treaty. He said as follows:

He pointed out that unless restrictive clauses are written into that treaty in cold black and white there will be nothing to prevent the Japanese from repeating the depredations on this coast that literally threatened the extinction of some fisheries here before the war.

"I don't think enough people remember what that means," the Seattle expert declared.

"We can figure that the Japanese have most or all of the fleet of several hundred thousand boats they operated before the war.

They had 1,500,000 fishermen.

They caught a quarter of the world's fish.

And they know nothing of conservation as we practise it.

They concentrated upon production, with apparent indifference to the future. And, what was most irritating to us, they did this without regard to the effect upon the coastal fisheries of other nations."

Is the Canadian government proposing to see to it that in any Japanese treaty there will be protection from depredations of that kind?

Hon. Mr. PEARSON: That is a very important aspect of the whole question of a Japanese peace settlement, namely, what can be done to prevent the Japanese doing in the future what they did in the past in connection with fisheries matters, and it is one of the special subjects to be considered at this meeting.

Mr. GREEN: What position does the Canadian government take on the question?

Hon. Mr. PEARSON: We will do what we can to see that that situation does not recur; and there are other countries which are equally interested, I assure you.

Mr. GREEN: Then you approve of the opinions expressed by this Mr. Allen?

Hon. Mr. PEARSON: I cannot approve of all the language, but I do approve of the idea that there should be an international fisheries control to guard against a revival of Japanese pre-war fisheries practices, and that we ought to do all we can to see that this is done.

Mr. GREEN: Has there been any further move towards a Pacific Pact in the last few months? Has the situation changed at all?

Hon. Mr. PEARSON: No. The situation has not changed. You may have noticed that there was some indication that some member of the Commonwealth committee meeting at Sydney will bring up the question of a Pacific Pact. We considered it to be an economic and financial meeting, not a political meeting, and we are not prepared to discuss it at Sydney. But if it were to be brought up, our delegation would refer back to the government, and if everybody wished to discuss the question of a Pacific Pact, we might have to look into the matter; but I doubt if it will be discussed.

Mr. GREEN: Then is the Canadian government in favour of a Pacific Pact, or is it hedging on it?

Hon. Mr. PEARSON: No, we are not hedging at all. We would of course be in favour of a Pacific Pact if the same conditions existed in the Pacific as existed in the Atlantic, which made a pact not only possible but essential. But those conditions do not exist in the Pacific at the present time; and to talk about a Pacific Pact when the United States and the United Kingdom and India are not in favour of such a pact in the present situation is quite unrealistic.

Mr. GREEN: But they may be wrong.



Hon. Mr. PEARSON: They may be wrong, but I think they are right, because if we followed the procedure in negotiating a Pacific Pact that we followed in negotiating the Atlantic Pact, we would have first to decide what countries would have to be invited to take part in the preparatory work. We would leave the U.S.S.R. and communist China out; but what other countries might wish to participate? Korea? Indo-China? The Philippines? Siam? The Indonesian Republic? Burma? New Zealand? Australia? Have you got exactly the same situation in respect to collective action in that group that there was in connection with the North Atlantic group a year and a half ago?

Mr. GREEN: France and the Netherlands are interested?

Hon. Mr. PEARSON: The Netherlands has little territorial interest there now, although France has. We have guaranteed under the North Atlantic Pact that an attack on any one member of the group is an attack on all. So the question arises: are we willing to accept at this stage a similar guarantee in respect to all the countries which I have mentioned of the Pacific area, India, Indo-China, and Korea?

Mr. GREEN: Such a pact might be made in different terms?

Hon. Mr. PEARSON: Well, it might be and I am not suggesting it might not be desirable to discuss the possibility of some Pacific arrangement but I do not think it is realistic to give the impression that the circumstances which made possible and desirable a North Atlantic pact now exist in the Pacific area.

Mr. GREEN: The situation in the Pacific is still deteriorating, is it not? It certainly is not getting any better?

Hon. Mr. PEARSON: At the moment it does not seem to be improving very much but I do not think it has deteriorated very much in the last few weeks.

Mr. STICK: Russia occupies but a minor role in the occupation of Japan?

Hon. Mr. PEARSON: Russia does not participate in the occupation of Japan.

Mr. STICK: But I understood she has a representative there.

Hon. Mr. PEARSON: Yes.

Mr. STICK: With General MacArthur?

Hon. Mr. PEARSON: There is a military mission and an Allied Council, and there is a Russian member of that Council; and Russia does participate in the Far Eastern Commission.

Mr. GREEN: But it does not amount to much, does it?

Mr. FOURNIER: How do they get along?

Hon. Mr. PEARSON: Oh, they do not meet very often.

Mr. GRAYDON: In the specific circumstances which are now apparent to everyone in the Far East, is it not taking a very long chance for the United States to lift the occupation of Japan? Is it not possible that if the United States lifted the occupation of Japan, then Japan would be thrown to the wolves, so far as communist aggression is concerned? That is the thing which bothers most people. They say: What is going to happen if we lift the occupation?

I can quite understand that the minister and his department must have some information which other people naturally would not have. But from my point of view I do think we should seek a conference for the purpose of lifting the occupation yoke from Japan, despite what the minister has said in his speech that the law of diminishing returns would enter into the picture. It seems to me we might have another law which would work havoc as far as Japan and the people of Japan are concerned.

Here we now have China under red domination. They also have half of Korea, and they have all to the north again under Russian control, Russian



territory; and then, at that time, just at a period when Japan is in the most vulnerable position she has been in for a long time, the United States walks out of a key position in the east! That is what the conference normally would mean if it were successful: that Japan would then go on her own.

I would suggest that if Japan were to go on her own with anything like an even chance in the East, then it would be quite all right. But I do not think Japan would have an even chance in the East. I think Japan would have the dice completely loaded against her, and I do not think occupation should be lifted at this time. I think the United States ought to be in Japan, because I think Japan is the key bastion so far as the western allies are concerned. I know that the minister must have considered it but the question is quite serious in the minds of most people, and I think there is a mighty good reason why uninformed people like ourselves should take that position.

MR. STICK: How could Japan be absorbed? Would it be by a fifth column or by an invasion? I cannot quite figure that out. I cannot see how she would be thrown to the wolves.

MR. GRAYDON: I thought the danger would be very obvious.

HON. MR. PEARSON: I think you have stated that position before. It is a very intelligible one. There is a danger; but I can assure you that if those who have had the most experience with the occupation of Japan, the United States authorities and the United Kingdom and the Australian authorities, supported the idea of a Japanese Peace Conference at this time, or in the immediate future, and if they thought that the result would be to throw Japan into the arms of communism, into the arms of Soviet Imperialism, they would not favour the holding of a conference. But if they do favour the holding of a conference as soon as possible—and that is the view of such people as General MacArthur, whose views must command very great weight—and if that is their view, then they have decided that the advantages of such a conference would out-weigh the disadvantages.

I think there is a danger in giving the Japanese people the feeling that the occupation is indefinite. They are still a proud and nationalistic people; and the danger of giving them that impression I think would be to give great and immediate strength to the communist party in Japan who would pose as the champions of liberation and Japanese freedom. We know what that kind of appeal can do in an Asiatic country. If the communist party in Japan were able to make good their claim to be the party of freedom, getting out the occupiers, ejecting the foreigners, that would give them very great strength in the country, strength which would grow as the occupation went on.

On the other hand, it may be that as a result of a Japanese Peace Conference and a satisfactory Japanese peace treaty, occupation will be ended. But there will be included in that treaty adequate guarantees to make sure that Japan remains free, and that no fifth columns of the kind we know so well will be able to take over the government of that country.

MR. GREEN: Does the Canadian government advocate a conference to take up a peace treaty, or is it going further than that and advocating the end of occupation? They seem to be strangely definite on the question of occupation but indefinite on the other things having to do with the Pacific situation.

HON. MR. PEARSON: We have stated ourselves as being in favour of a peace conference and of a treaty as soon as possible. But as to what should be in that treaty, I am not now at liberty to say.

MR. GREEN: But you have stated that you favour the ending of occupation?

HON. MR. PEARSON: A peace treaty would mean the end of occupation but it would not necessarily be the end of the association of American and other democratic powers with a free Japan, not at all.

Mr. GRAYDON: Supposing that Russia and China decide they are going to come in on this peace conference. They are going to jettison all your ideas with a veto, and so on. Would not the result be that you would have Japan really under a control eventually partly by Russia and China and partly by the western allies? I think the best thing which could happen to us would be that they would not participate in it at all, except under certain impossible conditions, and then the western powers could go along and make their peace treaty with Japan under adequate guarantee. That would be a different thing altogether.

Mr. STICK: You cannot ignore Russia in a peace treaty with Japan.

Hon. Mr. PEARSON: No.

Mr. GRAYDON: You cannot ignore Russia "period"!

Mr. BATER: May I ask the minister if communism in Japan is standing up, receding, or is on the march?

Hon. Mr. PEARSON: People with whom I have talked in Japan have said that it is not gaining strength; that it is losing strength. It would appear that they have hopes that the occupation will not be permanent and that the democratic forces in Japan are strong enough to withstand communism.

Mr. GRAYDON: Those Japanese members of parliament who were over here to observe our democratic processes seemed to feel that the Japanese communists were rather a negligible quantity in Japan. But I suppose their views might be somewhat tempered by their political persuasion. That has sometimes been known to happen in places other than Japan.

Mr. Mutch: I do not think that is parliamentary language, Mr. Chairman.

Mr. GREEN: And what about the people in Japan who were in control before the war?

Hon. Mr. PEARSON: You mean the militaristic element?

Mr. GREEN: Yes, and the big families?

Hon. Mr. PEARSON: They have been removed from control. The control of the commercial families has been weakened. But some people think not sufficiently so.

Mr. GREEN: They are probably not very far under the surface?

Hon. Mr. PEARSON: I would not know.

Mr. GAUTHIER (Portneuf): I would think that Japan is still more partisan than communist. I mean, there are more partisans than there are communists in Japan.

Hon. Mr. PEARSON: Well, they still bow in Japan when the Emperor goes by, but not when the picture of Stalin is carried by.

Mr. LÉGER: Mr. Chairman, I understand we were told a while ago that we were using blocked currency to buy an embassy. I notice that on page 114 you have an item for \$165,000 to buy premises. Do you know what that is?

Hon. Mr. PEARSON: That figure represents the amount in the estimates for the opening of new offices during the current year. We hope within that figure to be able to open three new offices, two new diplomatic offices and one consulate.

The CHAIRMAN: As I stated a few moments ago, the minister has to leave at a quarter after five. So would it be satisfactory to the committee to allow the minister to go?

Hon. Mr. PEARSON: I can get back by 6.15.

The CHAIRMAN: I believe the minister has covered the ground generally, and the general policy of his department. He has to leave on Saturday or Sunday for London. I would like to say that we appreciate the information which the

minister has given us and we wish him God Speed and success in his activities and a very happy return.

Mr. FRASER: Is the minister not coming back tonight?

The CHAIRMAN: If we sit again; but we have with us Mr. Heeney.

Hon. Mr. PEARSON: I would be happy to come back tonight.

Mr. FRASER: I have some questions I would like to ask the minister.

Hon. Mr. PEARSON: Maybe I could answer your questions right now.

Mr. FRASER: First of all, I think you said that Vote 698 covered this item of \$1, which only authorizes your department—at least it authorizes the Governor in Council to give to your department the moneys from those European countries. So in that case your department would be responsible for those moneys. That is the way I look at it.

Hon. Mr. PEARSON: I shall ask Mr. Moran to explain it.

Mr. MORAN: I think you will find that it is vote 698, in the Public Accounts and that it has the same wording as the vote you are discussing here.

Mr. FRASER: But it does not give figures or anything else to show where the money is going, except that it authorizes the External Affairs department to get this from the Governor in Council.

Mr. MORAN: Not to get all these funds but to be able to make use of some of these funds for certain purposes.

Mr. FRASER: I think it says in each case: to authorize your accepting them with the approval of the Governor in Council in each case.

Hon. Mr. PEARSON: That is right.

Mr. MORAN: I thought you said the use of all of these funds. It is an authority, with the approval of the Governor in Council, to make use of those funds but not necessarily of all of them.

Mr. FRASER: You would not have to go to the Governor in Council and get authorization for the expenditure of \$67,000 or \$100,000.

Hon. Mr. PEARSON: Yes, in each case.

Mr. FRASER: Another question I have concerns the Railway and Shipping Committee when it had this matter before it. I would like to ask you a question in connection with your trip to Colombo, I mean the 20,000 mile trip. First of all you asked TCA for a charter flight?

Hon. Mr. PEARSON: Yes.

Mr. FRASER: And eventually you did not use T.C.A. but took an RCAF plane. What did you pay them?

Hon. Mr. PEARSON: I would be glad to make a statement about it.

Mr. FRASER: You would, now?

Hon. Mr. PEARSON: Now. I am missing a cabinet meeting but I would like to clear this up before I go.

Mr. FRASER: That is why I brought it up because I thought it should be cleared up.

Hon. Mr. PEARSON: In the first place, when we found that we were going to Colombo to attend this conference, and were looking for a way to get there, we discovered that we could not go in the time which was available by any other way than by air. That is obvious. Then we consulted the air lines as to whether we could go there commercially. We consulted the TCA and we consulted a non-Canadian air line.

It is not the easiest place in the world to get to quickly and we had to go in a fairly great hurry. We also made inquiries of the department of National Defence concerning the availability of an RCAF aircraft and what the probable cost of it would be. So we tried the TCA and the non-Canadian commercial air



company and the RCAF or the Department of National Defence. It was learned that the cost of a flight to Colombo and on to the other points which we had to cover and home—

Mr. FRASER: Your full itinerary?

Hon. Mr. PEARSON: Our full itinerary would be approximately \$16,000.

Mr. FRASER: You say \$16,000?

Hon. Mr. PEARSON: Yes, about \$16,000. We received in External Affairs a bill for half that amount because the Department of National Defence advised us that they were prepared to absorb 50 per cent of this cost to be charged to long distance training of the R.C.A.F. We had a plane of the air transport squadron which normally does a good deal of long distance flying; and on this particular flight they doubled the crew so that they could give additional men navigational, engineering, and piloting experience over the Pacific. So the result was it cost External Affairs \$7,571.33.

The non-Canadian commercial air line quoted us a figure to provide accommodation on scheduled flights which was far above the figure of the National Defence Department. But that figure would not have covered the visits we made to New Delhi, Karachi and to other places in the Far East where we had business to do. So if we had flown our full itinerary with this foreign commercial air line, the cost would have been substantially in excess of the National Defence item.

Mr. NOSEWORTHY: Do you mean in excess of the \$7,500 or \$16,000?

Hon. Mr. PEARSON: I mean in excess of \$16,000. T.C.A. was prepared to arrange a charter flight with a plane to be at the disposal of the delegation and to take us to the countries where we had to go, but at a figure very greatly in excess of the \$16,000. And that would not have been all the cost. I think that on just a cost basis it would have been greatly in excess.

Mr. FRASER: T.C.A. offered you a charter rate?

Hon. Mr. PEARSON: Yes, but it would have been very greatly in excess of the R.C.A.F. figure. They calculated their figure on a per mile cost basis of the actual mileage to be flown in connection with the operation. Therefore it was decided to use an R.C.A.F. plane for the following reasons: It was the most economical method of transportation; it would provide extremely valuable training experience for Canadian transport airmen; it permitted greater flexibility in routes and timings for the delegation—as happened on one part of our visit we wanted to stay an extra day to finish some of our business, so we told the R.C.A.F. that we would not be ready for another twenty-four hours. We could not have done that so easily with a private firm on a scheduled flight. It was possible to carry to Karachi five members of the Canadian High Commissioner's office in Pakistan and to transport from India to Canada one person from the High Commissioner's office in India returning on leave. It was also possible to carry certain supplies needed for our offices abroad. That arrangement saved the Canadian government the cost of transporting those things.

Mr. FRASER: You could have done that by T.C.A. could you not?

Hon. Mr. PEARSON: Yes, if we had chartered a T.C.A. plane they would have carried those people but on a foreign commercial air line we could not have done it without paying the commercial rates for them.

Mr. FRASER: T.C.A. could give you the same accommodation that the R.C.A.F. gave you?

Hon. Mr. PEARSON: We would have had better accommodation on T.C.A. We would have had a pressurized plane able to fly above bad weather. We had a non-pressurized R.C.A.F. plane—a service plane—and the accommodation on that plane was service accommodation. If we had to go above 10,000 feet we had to wear oxygen masks—or go through the bad weather below.



Mr. BATER: You had just one plane on the trip?

Hon. Mr. PEARSON: Yes, just one plane—no relief.

Mr. FRASER: Were you held up in flight at all?

Hon. Mr. PEARSON: By what?

Mr. FRASER: Engine trouble?

Hon. Mr. PEARSON: We were not held up at any time by any mechanical difficulty on the whole trip. We were delayed once or twice because we wanted to postpone our departure. After I think about 25,000 miles, when we were approaching San Francisco, one engine went out—after 25,000 odd miles.

Mr. GREEN: How far out was that?

Hon. Mr. PEARSON: Not far enough out to cause us anxiety. We did not know—or at least I did not know about it.

Mr. GREEN: What type of plane was it?

Hon. Mr. PEARSON: A North Star. We blew a tire landing at Hong Kong but that is a thing that could happen even to a Chevrolet. It was due to the fact that when we took off at Singapore we were a heavy plane with a heavy load; we took off from a military air field which had metal runways, and, with the weight of the plane, I think we weakened one of the tires. We had a full gas load, as we were going a long distance. When we got to Hong Kong there was a difficult airport and very little visibility. We came down out of the clouds and, instead of hitting a mountain, we went around it and we may have landed a little faster than normal. With that weakened condition of the tire, because of the runway, it blew out. The R.C.A.F. handled that situation all right.

Mr. GREEN: May I ask the minister when he expects to return?

Hon. Mr. PEARSON: I hope to be back at the end of the month. I hope, however, to have the pleasure of appearing before you then. I might be able to make a report on my trip.

Mr. GRAYDON: Good luck to the minister.

Hon. MEMBERS: Hear, hear.

The CHAIRMAN: Shall we meet tonight? Or shall we carry on until six o'clock? I believe the time has arrived when we could go on with the first item—Item No. 64. We have had a general statement by the minister.

Mr. GRAYDON: I think we have had a fairly successful session up to now and, unless the department officials are anxious to fill in the extra twenty minutes, perhaps we might call it a day.

The CHAIRMAN: I believe that your resolution is a good one but, before we adjourn, when shall we hold our next meeting? Shall we try to hold it on Monday afternoon or Monday night?

Mr. CROLL: Monday afternoon would suit most people.

Mr. FOURNIER: Is it not possible to have it on Tuesday?

The CHAIRMAN: On Tuesday we might sit but there is a lot of committees sitting that day.

Shall we leave it to the call of the chair?

Mr. STICK: I move we leave it to the chair.

The committee adjourned.















SESSION 1950  
HOUSE OF COMMONS

Government  
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS

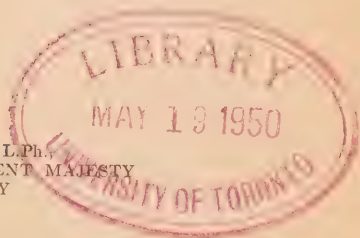
No. 5

TUESDAY, MAY 9, 1950

Main Estimates of the Department of External Affairs—Item 67

Mr. R. B. Bryce, Assistant Deputy Minister of Finance,  
Treasury Board Division

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950





STANDING COMMITTEE  
ON  
EXTERNAL AFFAIRS

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*Vice-Chairman:* Gordon Graydon, Esq.

Messrs.

Balcer	Diefenbaker	Low
Bater	Fleming	Macnaughton
Beaudoin	Fournier ( <i>Maisonneuve-</i>	McCusker
Benidickson	<i>Rosemont</i> )	Noseworthy
Breithaupt	Fraser	Mutch
Campney	Gauthier ( <i>Lake St. John</i> )	Pearson
Coldwell	Gauthier ( <i>Portneuf</i> )	Picard
Cote ( <i>Matapedia-</i>	Goode	Pinard
<i>Matane</i> )	Green	Richard ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey	Leger	

*Clerk:* Antonio Plouffe.

## MINUTES OF PROCEEDINGS

TUESDAY, May 9, 1950.

The Standing Committee on External Affairs met at 8.30 o'clock in the evening. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Bater, Bradette, Croll, Decore, Fleming, Fraser, Gauthier, (*Lake St. John*), Gauthier (*Portneuf*), Graydon, Hansell, Low, Macnaughton, McCusker, Noseworthy, Pinard, Richard (*Ottawa East*), Stick. (17).

The Chairman reported that the time of this meeting was set after consultation and that Mr. R. B. Bryce, Assistant Deputy Minister of Finance, Treasury Board Division, was in attendance. He announced that copies of a memorandum of the Auditor General respecting Estimates had been distributed for the information of the members.

After discussion, Mr. Fleming suggested and it was agreed to print the relevant paragraphs 15, 16 and 17 of the above mentioned memorandum in today's minutes of proceedings. (*See Appendix to this day's minutes of proceedings*).

Mr. Bryce was called. He made a statement on Item 67 (\$1.00 Vote) and blocked currencies and was examined thereon.

The advisability of obtaining further information of the final settlement of Canadian financial claims against foreign countries was deferred to the Committee on Agenda.

Mr. Bryce concluded his statement and was retired.

It was agreed to begin the study of the Estimates referred, Item by Item, at the next meeting.

At 10.15 p.m. the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## APPENDIX

## EXTRACT FROM A MEMORANDUM OF THE AUDITOR GENERAL ON ESTIMATES.

15. *Works Provisions in Details.*—The construction and maintenance of public works are matters of concern to all Members of Parliament, both from the monetary and local viewpoints. Section 9 of the Public Works Act vests in that department the over-all management, charge and direction of all public works (including the supplying of furniture and fittings). Then section 10 removes from the Department the public works which are by any Act of Parliament "placed under the control and management of any other minister or department". An Appropriation Act is presumably an "Act" within the intent of the section. A question therefore is the effect of providing for the construction of works which are to be financed by votes for departments other than Public Works. For example, there is the provision in Item 261 (National Revenue, Customs and Excise Divisions) for "buildings and rentals for temporary purposes". No amount is stated in the vote, but \$532,000 is listed in the Details (p. 197). A further variation, for example, is that employed in connection with Agriculture items 5 to 10, and 11, 12, 14, 15, 17 and 19, where no reference to construction is made in the text but Details' breakdowns collectively provide around \$3,200,000 for the "acquisition or construction of buildings and works". If note is taken of the details to Item 303 for Public Works, it will be observed that provision is also being made in that Item for \$500,000 to be expended on "Experimental Farms and Science Laboratories—Replacements, repairs and improvements to buildings". Attention is also drawn to External Affairs' details to Item 66 (p. 114) which list:

To build or purchase premises for offices or residences for missions abroad and to furnish and equip premises and other capital expenditures  
\$165,000.

With this, Item 67 is associated. It reads:

To authorize the use during the fiscal year 1950-51 in payment for the acquisition, improvement or furnishing of properties for Canadian Government offices and residences in foreign countries of inconvertible foreign currencies from deposits of such currencies which may be used only for governmental or other limited purposes in these countries and which have been received by the Government of Canada from other governments in settlement of claims arising out of military operations of war expenditures . . . . \$1.

As Details do not form part of the Appropriation Act, a question is whether listing in "Details" brings into effect section 10 of the Public Works Act. It also presents the query whether works projects solely for the benefit of a particular department or service should be listed under the department concerned in order to portray the true cost of the department.

16. A more general objection which may be taken to works votes is that the printed material does not disclose either the reasons which make them necessary or the probable ultimate cost. As a rule, the first vote for a large job will be for a small sum—enough to permit some plans to be prepared and, perhaps, to negotiate for the site, etc. Consequently, over several years Parliament may vote several millions of dollars. Cannot much be said in favour of information being given, at the outset, which will permit Parliament to judge whether a project costing x millions should be approved, or if one costing less will adequately serve the public need?

17. *Vote Texts That Legislate.*—A matter of particular constitutional concern is the practice of legislating by means of items in the Appropriation Act.

That is, by phrasing the text of an item, Parliament enacts in a manner to exempt from or override existing legislation, or, in effect, to add to statute law. An example is Item 67 (quoted in paragraph 15 above). The \$1 is inserted in order that Committee of Supply has an amount on which to recommend adoption of a resolution, but the real money to be employed consists of bank balances in various countries. Ordinarily, those moneys would be subject to appropriation as are all other balances in Consolidated Revenue Fund. The effect of this Item will be to vest in the Crown a right to use the balances, as He sees fit, in procuring and furnishing buildings and residences for diplomatic purposes.





## EVIDENCE

HOUSE OF COMMONS,  
Tuesday, May 9, 1950.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Will you come to order, please.

I have an apology to make to the committee on account of the fact that it was necessary to cancel several notices which had been sent out with regard to this meeting which could not be held until this evening. I may say that members of the committee desired the attendance of officials from the Department of Finance in connection with item 67 and we found that it was not possible for them to be here. Mr. Bryce is the official whom we wanted to have before us, and his time was taken up on the Public Accounts Committee. We got in touch with Mr. Graydon, Mr. Coldwell, Mr. Low and Mr. Hansell and it was decided to hold the meeting this evening to consider this \$1 Vote, Item No. 67, in this respect I asked our secretary to communicate with the Deputy Minister of Finance, Dr. Clark, and he arranged for Mr. Bryce, the Assistant Deputy Minister of Finance, Treasury Board Division, to attend.

There is a matter on which I should like you to express your views; I do not very often get a chance to get home, and I am planning to leave on Thursday of this week; the vice-chairman will also be away for the balance of the week. It was thought that we might either have a meeting at 3.30 o'clock, tomorrow, Wednesday afternoon or possibly hold further meetings next week, I will try to arrange three sittings then. Is that agreeable?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Carried.

Now, gentlemen, in connection with the matter we have before us this evening arrangements were made through our secretary to have copies of a memorandum supplied to the committee on Public Accounts by the Auditor General, Mr. Watson Sellar, made available to this committee. Copies of this memorandum in mimeographed form were placed in your mail-boxes. We will not have any witnesses from the Department of External Affairs, but the thought was that Mr. Bryce might make his statement and then be questioned. At our next meeting officials of the Department of External Affairs will be with us and we will take up the estimate items.

Mr. FLEMING: Mr. Chairman, should not the particular paragraphs concerned in Mr. Sellar's memorandum be transcribed into our proceedings?

The CHAIRMAN: Well they deal with the items to which I referred a moment ago.

Mr. FLEMING: I refer particularly to paragraphs 15, 16 and 17 of Mr. Sellar's memorandum; would it not be useful to have them transcribed into the proceedings at this point?

The CHAIRMAN: I am in the hands of the committee, if you think it desirable.

Mr. BATER: Is that where the details with respect to this vote are given?

Mr. FLEMING: Yes, items 15, 16 and 17 on pages 10 and 11 of the memorandum submitted by Mr. Sellar. Mr. Chairman, I should think the questions

and answers would be much more intelligible if these related paragraphs in Mr. Sellar's report were transcribed into our proceedings at this point.

The CHAIRMAN: You would start with what paragraph?

Mr. FLEMING: With paragraph 15.

Mr. MACNAUGHTON: Have you any extra copies?

The CHAIRMAN: I think you will find one in your mail-box. As you know, we are discussing an item which appears in the estimates of the Department of External Affairs.

Mr. HANSELL: Could this not appear as an appendix? I do not think the statement applies only to External Affairs, it applies to more than External Affairs.

Mr. FLEMING: Well, the actual statement of the Auditor General itself applies generally to items of this kind, and he singles out in paragraph 15 this particular item relating to vote No. 67 in the estimates of the Department of External Affairs as illustrating the point that he is making. Then he goes on in paragraphs 16 and 17 to develop his objection to the practice. If we just start in to discuss this without having it on the record it will be meaningless.

The CHAIRMAN: It is not very long, and I think it should be put in. Is that agreed?

Some Hon. MEMBERS: Agreed.

(Paragraphs 15, 16 and 17 of Mr. Sellar's memorandum appear as Appendix to the minutes of proceedings.)

The CHAIRMAN: Now, gentlemen, I have great pleasure in presenting to you Mr. R. B. Bryce, Assistant Deputy Minister of Finance, Treasury Board Division.

### **Mr. R. B. Bryce, Assistant Deputy Minister of Finance, called:**

The WITNESS: Thank you, Mr. Chairman. I did not understand that you wished to have any lengthy prepared statement from me at this time. I gathered from the report of the previous meeting that you had a number of questions to ask in regard to a certain matter and I think I would be prepared to answer them. I have had something to do with this particular subject, I think ever since its inception in 1944, but I assume that what you are particularly concerned with at present is the mechanics by which we make use of the blocked currencies that we received under this arrangement relating to military relief, and the propriety, if you like, of the vote under which the government proposes to secure parliamentary authority, if I may put it that way, for the use of these funds. Perhaps I might start first with the means by which we account for these items; how we show them in our accounts.

First I should say that our claims on these countries abroad arise from the supplies that Canada furnished as part of the combined operations with the United States and the United Kingdom, through the military authorities in Europe. Arrangements were made, I believe, by the Combined Civil Affairs Committee at Washington and the supplies were actually shipped and distributed by the military authorities in the territories for which they were responsible.

Mr. McCUSKER: May I interrupt to ask whether this is just a duplication of the statement which was made by the minister in the House?

The CHAIRMAN: There may be some duplication, but a statement on the matter was requested by the committee and that is why we thought it would be advisable to have Mr. Bryce appear before us.

The WITNESS: The costs of purchasing and shipping these supplies incurred by Canada were recorded in our accounts as expenditures; expenditures first of the Department of National Defence and subsequently of the Mutual Aid Board which at a certain stage took over responsibility for the program of supply and the arrangements for shipment. At that time they showed up in the government operations simply as a part of the war expenditure under the appropriate departmental heading. After the operation was completed in the late summer of 1945 there was some time required in sorting out amounts that had been contributed by the three participating countries, and the amounts of supplies given the various recipient areas and the governments responsible for those areas. Out of this arrangement finally emerged what was known, I believe as the Tri-partite Settlement Committee in Washington which agreed on the division of the claims that were to be presented to the recipient governments, or rather the governments of the territories in which the civilian relief took place. These claims were divided between the United States, the United Kingdom and Canada on an agreed basis. There was a very complicated series of negotiations because it had to take into account the fact that division of responsibility in the various areas differed as between these several countries. The result of that was that Canada, it was agreed, should share to a certain specified extent, which I think Mr. Pearson mentioned, in the combined claims on the western European countries and in certain specified amounts, with the proviso that we agreed under negotiations in Washington with the United Kingdom and the United States to accept a nominal settlement from Italy and Greece.

At this stage our books reflected no assets or liabilities in respect of these amounts. They were held in a suspense account. The reason we showed no assets or liabilities was that these claims had not been formally accepted by the recipient nations and they represented only claims that were charged against them, of course, because these supplies went in in most cases before there were governments there to receive them and the military authorities could merely notify the governments as they came in that these supplies would be furnished and the bills would subsequently be presented to the government concerned. Well, at this stage, there was nothing showing on our books except a memorandum item that the claims had arisen as a result of these operations. Following this, negotiations commenced for the taking into account by the United States, the United Kingdom and ourselves of these claims against the various recipient countries; and, as possibly Mr. Pearson indicated, Canada did not commence its negotiations until after the United States and the United Kingdom had an opportunity of settling their larger claims with these countries. That, I think, is a material fact, sir, that might be of interest to the committee, because it was felt it was appropriate that the larger claims should be settled before the smaller ones.

*By Mr. Graydon:*

Q. Were they settled?—A. They were, sir.

Q. With all nations?—A. I will not say all—I believe some of the U.K. claims are not settled and, as a consequence, some of ours are not settled finally.

Mr. GAUTHIER (*Portneuf*): We will have to wait until they are settled?

The WITNESS: I would think so—if we are going to follow that practice.

Mr. STICK: Are the United States claims all settled?

The WITNESS: Yes, sir. I believe the United States claims are settled and, they were settled as part of their very much larger settlements of all sorts—claims and counter claims arising out of the war.

Mr. FRASER: Could Mr. Bryce tell us how much has been collected so far?

The WITNESS: I am coming to that.



The CHAIRMAN: In our ordinary procedure we let the witness complete his statement and then there will be a period for questioning.

The WITNESS: During this stage we still showed nothing on our books except that there was a small use of some funds in Holland that were subsequently tied up with the settlement with the Netherlands, and which we used for the purchase of an embassy there pending formalization of the agreement that had been accepted in substance. Those are reflected in a very complicated way in the accounts of the Department of National Defence and the Department of External Affairs in the public accounts for the year ending March 31, 1949.

The first of the settlements reached with European countries was that reached with the Netherlands. It was accomplished by an exchange of notes which were tabled in the House. That settlement involved a great deal more than the military relief claims. It involved claims in respect of guilders that had been accumulated by the military services in Holland during the course of military operations there. Subsequent settlements with other countries have been largely negotiated by Mr. Sinclair, the parliamentary assistant to the Minister of Finance. I understand that Mr. Pearson told the committee that Mr. Sinclair anticipates making a fairly comprehensive statement about these negotiations, either to this committee or to the House. It was for that reason that I did not bring along the details of the settlements that have been made. I did not expect to anticipate what he said about that and, indeed, I believe that some of the agreements are not finally concluded. I can, however, if you wish, give you the amount of the Canadian share of the claims in the various countries.

The CHAIRMAN: Is that the wish of the committee?

Mr. FRASER: Mr. Chairman, I believe that when we asked Mr. Sinclair for the amount that was collected he said at that time that we would have to have a member of the Finance Department or the treasury board in order to get it. I thought that when Mr. Bryce came he would be the one who would give it.

The WITNESS: I am sorry but Mr. Sinclair has been out of town yesterday and today.

Mr. STICK: I think the idea at the last meeting was that when Mr. Bryce came the details would be given.

Mr. FRASER: That was the understanding and that is what the assistant to the minister said.

The WITNESS: I wonder if I might give the amounts of the claims which Canada had on the various countries. In the case of France we had a claim of \$12,389,021.85. I think the 85 cents indicates a false degree of precision. However, I assume the cents arise because of the division of the total between the various countries. We also had a claim on France arising out of supplies furnished to French zones of Germany and Austria for \$1,066,393.13; in the case of Belgium we had a claim for \$7,822,462.57; in the case of the Netherlands the claim was \$14,099,724.67; in the case of Luxembourg the claim was \$439,309.14; Norway, \$1,703,098.23; Denmark, \$565,200.91; making a total of \$38,085,210.50.

Those are the claims on the western European countries and in each case they represent 5 per cent of the total bills presented by the joint military agency. Now, I should add, perhaps, that these claims were before the detailed discussions with the countries concerned on whether there were any errors or omissions or incorrect items on the bills, so that they are subject not only to discussion in respect of their nature and the appropriate payments, but in respect to the substance of the claims themselves.

*By Mr. Stick:*

Q. It is a final settlement?—A. Those are the amounts of the bills we rendered. In some cases the countries had detailed arguments against certain

of the items in the bills so that, apart from any negotiation, so to speak, there was a question of necessary discussions about the amounts involved.

Q. The amounts you have given us there are the amounts of the final claims? We cannot bring any more claims under those headings?—A. They are the maximum amounts, but in some cases there may be arguments that certain things should not be included.

*By Mr. McCusker:*

Q. Did the amount of the claims we had against those countries satisfy the full amounts owing?—A. No, sir. There were a good many items that could not be traced.

Q. I am afraid my question was not quite clear. In the case of France we had claims amounting to \$12,000,000. That is what our 5 per cent of the claims amounted to. Had we not been dealing with the United States and England in presenting the claims, what would our actual claims have amounted to?—A. In France, or in total?

Q. In France?—A. Unfortunately it was not possible in the case of western European countries to say what Canadian goods went to France, for instance, because they were pooled and furnished from the pool.

Mr. RICHARD: What was the total value?

The WITNESS: I could perhaps say that the total value of Canadian supplies procured for those purposes was \$95,652,862.44.

*By Mr. McCusker:*

Q. What are our total claims?—A. I am sorry that I have not here the detailed amount for Italy, but I have given you the western European figure as \$38 million. In the case of Italy our claim was 5.4 per cent of the total bills rendered, subject to our agreement to accept nominal settlement, and it was approximately \$28 million.

Q. Therefore our claims do not amount to much more than 50 per cent of the actual goods supplied?—A. If I may finish, we had a small claim on Albania for \$46,000 odd; a claim on Greece, also subject to our agreement to accept nominal settlement, for \$612,352; a claim on Yugoslavia for \$226,242. I have not added the total but you will see that it is about \$67 million, or something a little over two-thirds of the value of the supplies.

Q. Thank you.—A. But I should complete that by saying out of the \$95 million we also recovered \$4½ million from payments for supplies turned over to UNNRA and we also recovered in cash, in Canadian dollars, \$3,145,000 for certain Canadian trucks called for under the program and shipped from Canada as part of the Canadian contribution to the military relief but which had not been delivered to the recipient countries. They were declared surplus and sold en route—that was at the end of the operation.

*By Mr. Macnaughton:*

Q. Do I understand these claims were pro rata to the United States claim?—A. It was very much more complicated than pro rata. In the case of the western European countries our claims were 5 per cent of the total. The U.S. claim was 62 per cent and the U.K. claims were the remaining 33 per cent.

Q. In other words your claim was as high as you thought you possibly had a chance of obtaining?—A. No, those claims were worked out with the United States and the United Kingdom in a very elaborate series of negotiations which took into account the responsibility of three countries in the areas concerned.

*By Mr. McCusker:*

Q. May I ask one more question. You have set out the amount of goods supplied as \$95 million and you have set out that the claim for payment

amounted to about two-thirds of that. Now what was our actual settlement?—A. Would it be too much to suggest that Mr. Sinclair might give this? I have not the figures here, to be quite frank, and I did not anticipate that you would expect from me the amounts that we have actually received.

Mr. STICK: The claims have not been settled yet?

The WITNESS: They are not all settled—they are on the way.

Mr. RICHARD: Did we have claims against all western European countries or have you mentioned all of them?

The WITNESS: Those I have mentioned—France, Belgium, Netherlands, Luxembourg, Norway, and Denmark.

Mr. FRASER: Has note been taken of the fact that we will have Mr. Sinclair here to give us these figures?

Mr. MACNAUGHTON: Should not Mr. Sinclair first report to the House, rather than to this committee?

The CHAIRMAN: As it is a matter of the Department of Finance I do not know whether it is within the orbit of our activity. I have no objection, and I suppose that we might approach Mr. Sinclair and the Department of Finance on the matter.

Mr. STICK: Could we leave that to the steering committee?

The CHAIRMAN: I would like the consensus of opinion of members here before we go any further.

Mr. FRASER: We were promised the figures, Mr. Chairman, and I think we ought to have somebody here to give them.

Mr. MACNAUGHTON: I think the House is entitled to the information first. Important as we think we are in this committee, it seems to me that the House of Commons overrides any special committee.

Mr. FLEMING: The government may not have in mind the thought of making any statement in the House on the matter. Mr. Sinclair has been back now for a couple of months.

Mr. MACNAUGHTON: Yes, but he has had the budget in the meantime.

Mr. FLEMING: I think it would be a simple enough matter to have a statement in the House first and then have Mr. Sinclair come in here and submit to questions. I do not suppose anybody in the committee is going to worry about the sequence as long as we get the information reasonably soon.

The CHAIRMAN: This committee has before it only things pertaining to the Department of External Affairs and things which pertain to the \$1. Over and above that I do not know how far we can go. Here it seems we are going into another department, the Department of Finance.

Mr. FRASER: I know, but in the public accounts, vote No. 698, there is authorization for the Governor in Council to hand over the money to the External Affairs Department.

The CHAIRMAN: On specified requests, though.

Mr. FRASER: I know.

The CHAIRMAN: It is not the whole amount that will be requested, as Mr. Pearson told us the other day. I have no objection whatever in having Mr. Pearson or any officials of the Treasury Board or of the Department of Finance come here, but we will have to be careful not to overlap another department.

Mr. FLEMING: I think there is no need of any difficulty about it. If it is indicated to the Minister of Finance what we want, and if he wants to make a statement in the House first and then bring the detailed information here, I do not think anybody is going to worry about that.



Mr. FRASER: It says here on page E-10 of Public Accounts, 1949, vote 698:

"to authorize the acceptance, with the approval of the Governor in Council in each case, from governments of European countries, in partial or total settlement of claims of the government of Canada against those governments in respect of supplies furnished by Canada and distributed as relief by the Combined Military Authorities to the civilian population of those countries during the period of military operations, et cetera."

So that would mean that that money would have to be handed over to the Department of External Affairs.

The CHAIRMAN: Not necessarily. It was explained by Mr. Pearson the other day that his department has no preference; any other department could use some of those funds too.

Mr. FRASER: But, Mr. Chairman, this order here says that the payment by these governments must be handed to this department here, whether they be partial payments or total payments.

Mr. McCUSKER: I think that that matter can be cleared up by the witness.

Mr. FRASER: This is in the public accounts for the Department of External Affairs. I would like to ask Mr. Bryce if I am right or wrong.

The WITNESS: I am not sure if we are discussing the item for this current year. I believe the item you read was from the 1949 accounts, which differs in certain respects from the present year's vote, but I think it is true to say that while this is in the Department of External Affairs estimates, the funds received from these countries can be used by the government for other purposes as well, covered by other appropriations.

Mr. FRASER: Yes, Mr. Chairman, but the authorization to collect these funds is in this order here, is it not, in vote 698?

The WITNESS: That is as of several years ago.

Mr. FRASER: But then there would be this same order for this present year.

Mr. MACNAUGHTON: Well, that is questionable. Is there the same order?

Mr. FRASER: That is what I am trying to find out.

The WITNESS: No, there is not. That leads me into the second general subject I was going to touch upon, which is the nature of the estimate and the relation to it of the acceptance of these items. I can go into that now, if you wish.

Mr. FLEMING: Should I ask now or after you develop your next point about the extent to which this fund has already been drawn on for the purposes of the Department of External Affairs?

The WITNESS: I think perhaps after I make clear just how these all turn up in our accounts.

The CHAIRMAN: That is satisfactory, Mr. Bryce.

Agreed.

The WITNESS: I had explained how these claims arose, how they were recorded in the books during that period, and then I came to the point where certain of them are being settled. As they are settled notes of one kind and another and entries of one kind and another appear in our accounts, but in general the procedures of the accounting method followed are these: we receive deposits of foreign currency, of blocked accounts from those foreign governments under this settlement—and all the settlements I should say are not in terms of blocked accounts—the currency of that country is deposited in a bank in that country nominated by the Minister of Finance and to the credit of the receiver general of the government of Canada. The foreign bank is advised by the Minister of Finance, who is, of course, the receiver general, that all the cheques



issued against the account will be drawn by the comptroller of the Treasury or his authorized officers. On receiving advice of the deposit of these currencies they are then entered on our government of Canada balance sheet under the item of cash and other current assets that appears in the Dominion balance sheet. For example, for March 31, 1949, it is part of the item called cash and other current assets, cash, schedule A, and it is item (iii) "in blocked currency" and it is there as part of the total in that year of \$482,048.22. If one traces that to the detail which is found on page 14 of the public accounts in schedule A to the balance sheet, under the sub-heading blocked currency, Denmark, there is there an item for \$200,044.80, which arose out of the payments made by Denmark which have been reduced by a small expenditure made from that during the year.

Mr. FRASER: That is on what page?

The WITNESS: That is on page 14.

I should say there is also an item under that heading for Spain that has nothing to do with this military relief settlement. That is an item arising from reparations arrangements, some Spanish pesetas that were received as a reparations settlement.

However, that is the way these blocked currency receipts enter the public accounts after having been received as a deposit. However, if we merely did that it would be credited to our revenues in that year, before we had been able to make use of it. In order to observe conservative accounting principles—

Mr. GRAYDON: Progressive, too?

The WITNESS: —the government sets up a contra liability item known as a deferred credit on the other side of the balance sheet which appears in this year as part of the \$4,350,636.00 of deferred credits in the balance sheet on page 3.

Putting it in that way means that it does not add to our surplus in the year in which it was received, because we have set up a corresponding liability item until such times as we find we are able to use these funds. The detailed item is shown in schedule Q of the balance sheet on page 25, where it can be found. It is the fourth item down, it is called "military relief credits—Denmark," under schedule Q of deferred credits, and the same amount appears there as is on the asset side, namely, \$200,044.80.

Now, that is the way in which it is shown as having come in and entered into the assets of the dominion and into its liabilities until such time as it is used.

*By Mr. Graydon:*

Q. Why do you have to set up that liability in that way?—A. Well, that is just to be cautious in claiming a value for it. If we did not do that it would reduce our net debt and since this is an asset that is subject to substantial restrictions as to its use, we have been cautious in claiming that it adds to our net asset position, so to speak.

Q. In other words, it only becomes an asset when it can be used for the purposes that the government decides to use it for.

Mr. STICK: Do you also take into consideration the fluctuation in the exchange rate?

Mr. BATER: I would say it is good sound financing to do it that way.

Mr. GRAYDON: It is conservative.

Mr. MACNAUGHTON: I notice, Mr. Chairman, you describe it as inconvertible foreign currencies.

The WITNESS: I did?

Mr. MACNAUGHTON: I do not say you did, but that is the way it is mentioned in the estimates, so I presume it would be good financing to not write it up to any great appreciable value.

The WITNESS: When some of those funds are spent we then reduce this asset item and at the same time reduce the liability item, and in reducing the asset item, of course, we charge it to expenditures, and in reducing the liability item we credit the corresponding amount to revenue. The expenditure, of course, becomes an expenditure, in this case of the Department of External Affairs, let us say, and is charged in the books as such. We credit at the same time the corresponding amount to revenue, a refund of previous years' expenditures, because as I explained earlier, all of these claims originated out of expenditures made during the war. Well, in that way then where a claim is reflected in an actual deposit, it gives rise to an asset which is shown on our books with a corresponding liability shown on our books, and then when the funds are used, to an expenditure and the matching amount of revenue.

I am not sure if that is a clear explanation of the principles we endeavour to follow. In general the problem that we had was to bring these into the accounts in such a way as not to inflate our accounts before we found that we are in fact going to be able to use these funds for some useful purpose.

Mr. GRAYDON: Did you have any precedent for this particular operation?

The WITNESS: I am sorry I could not say that, sir; the holding of blocked balances abroad is a relatively new operation.

Mr. PINARD: Do you know if the same procedure is followed in the United States or in Great Britain?

The WITNESS: I am sorry, I could not tell you that offhand, sir. The United States, I believe, does not have quite the same form of public accounts as we have. I do not believe they have a category of active assets that gives rise to net debt totals, as we have.

Mr. PINARD: What about Great Britain?

The WITNESS: I am sorry I cannot tell you that.

*By Mr. Low:*

Q. I wonder if Mr. Bryce would take, we will say, an item of expenditure involving some of these funds and trace through the procedure followed in making that expenditure and showing it in the books.—A. Well, there was an actual item in that year which is in the public accounts. Perhaps I could show where that comes in.

Q. And if you do not mind, as you go along, indicate what control is exercised by the department involved in the departmental accounts?—A. Well, the control is really twofold. Within the department, of course, you will first have the office abroad, in this particular case—

Mr. FRASER: That is public accounts 1949, you are looking at?

The WITNESS: Yes, I am looking at page E-11, the first paragraph of text in the ordinary type, the third sentence. It speaks of receiving these kroner from the government of Denmark on March 10, 1949, and it goes on to say that of this currency forty thousand kroner were used to acquire furnishings for the Canadian legation in Copenhagen, and the equivalent in Canadian dollars amounted to \$8,335.20 was charged to vote 54, representation abroad. Those funds then were expended for this purpose in this year and were charged to expenditure.

*By Mr. Low:*

Q. Would that be an expenditure as if from moneys voted by the House of Commons?—A. Yes, it was.

Q. In other words it replaced a part of a vote in the estimates?—A. I am not sure of the relationship between those two votes as to whether that would

normally be the case, or whether there were some special circumstances in this case that they were charged under that vote rather than under this nominal item, vote 698, corresponding to the one we are discussing today.

Q. That is fine.

*By Mr. Fleming:*

Q. Would it help to refer back at this point to what happened at The Hague the year before in connection with the acquisition of the embassy building there, in some way, out of blocked funds owed by the Netherlands government?—

A. Yes. That is covered in the next paragraph from the page in which I am reading; and in that case as well there was an expenditure of blocked funds of \$194,128.80; and that too was charged to vote 54 for representations abroad.

You see vote 54 could be used for this purpose as well as vote 698, which corresponds to vote 67 which we are discussing this evening.

*By Mr. Low:*

Q. Is this expenditure of blocked currency an expenditure in addition to what was voted in that item in the estimates, or is it charged against the total that was voted, and which would make that much less Canadian currency available from that vote?—A. It may be charged to either, as I understand it, in that particular year, I believe; but I will just check it now. There were ample funds in the vote to cover this expenditure in addition to the other expenditure.

Q. That would mean that there would be an unexpended balance?—A. That is right, there was.

Q. That is the point.—A. So I think it was probably charged for simplicity, therefore, to that general vote; but had there not been room to charge it in that general vote, it could then have been charged under this particular vote.

Q. I would say that it would be quite improbably done that way because if we are going to play the game of democracy we must see what moneys are voted and what moneys are spent.—A. That will bring me to the next question about the nature of the vote.

Q. Yes.—A. Just to follow this through, then, the \$8,000 odd expended on furnishings for the Canadian legation residence in Copenhagen were spent from this fund. The departmental control of that, I presume, would be first that the legation in Copenhagen would have received some advance authority to arrange to get furniture and would propose the actual expenditures. The matter would then be considered by the appropriate departmental officers in Ottawa. I do not know enough about the department to know the exact procedure at that time for doing it; but in a case of this nature I presume it would be either the Under-Secretary or the Assistant Under-Secretary who would consider it and take it up with the Secretary of State who would make a recommendation to the Treasury Board for authority to use these funds for this purpose.

*By Mr. Stick:*

Q. I think Mr. Pearson explained that procedure to us.—A. Yes, I believe he did; but as I was asked about the authority for using it, I thought I ought to mention it.

When the funds were expended they were charged to the normal vote for representations abroad rather than to the special vote. But at the same time they gave rise to a credit which, however, was a credit over in the department of National Defence. No, I am sorry. It was a credit in the Department of Finance. It was the Dutch transaction just below it which came into the National Defence department. So it was a credit in the Department of Finance. The revenue for the refund of the previous years' expenditures is to be found on page F-6 under paragraph which is lettered H, "Credit resulting from the



utilization by the Department of External Affairs of Danish currency acquired by Canada in settlement of claim for supplies furnished by Canada and distributed as relief by the Combined Military Authorities \$8,335.20."

And there you will find a figure corresponding to the expenditure one, that is, \$8,335.20.

*By Mr. Low:*

Q. That is what I wanted.—A. That is following through the transaction. Might I complete explaining about the Dutch purchase?

Q. Yes.—A. That was done during the period when the settlement was being worked out. At that time the guilder balances were still a suspense account in the accounts of the Department of National Defence, and had not been reflected in the Dominion Balance Sheet.

Q. I see.—A. Consequently that expenditure there of \$194,000 was charged to vote 54 for representations abroad, and since it had to be credited to revenue, as we had also acquired these funds out of expenditures, it was credited to the item from "Refunds of Previous Years' War and Demobilization Expenditures" under National Defence on page N-3 and N-4. It is difficult to find. I think it is the line half way down at the end of the first paragraph where you will find a figure corresponding to the expenditure mentioned on Page E-11.

*By Mr. Fleming:*

Q. It comes down to this: that actually it was those blocked funds owed by the Netherlands government to the Canadian Government that were actually used to make the purchase. But the charge was made against the appropriation for representations abroad, and the estimates of External Affairs, and at the same time a corresponding credit was given in the estimates of the Department of National Defence?—A. In the revenue items.

Q. In the revenue items of National Defence?—A. Yes, sir, that is right.

*By Mr. Stick:*

Q. In the National Defence appropriation it was spent by the National Defence Department, and they had to credit that in order to complete the transaction?—A. That is right.

*By Mr. Fleming:*

Q. You indicated, I think, that some of the balances might not be composed entirely of blocked currency. Is there any portion of any of those settlements which do not represent blocked currency?—A. Yes, sir. As I mentioned some time ago, we received a certain amount from UNRRA in United States dollars and we received a certain amount in Canadian dollars for the disposal of the vehicles which I mentioned; and in that settlement certain of the countries have paid us certain amounts in United States dollars in accordance with the settlements which have been negotiated.

The Netherlands settlement has already been covered in notes which were tabled in the House, and the subsequent items are the one which Mr. Sinclair has arranged.

Q. I see.

*By Mr. Fraser:*

Q. That \$4½ million you got from UNRRA would be credited to us, but it would not really come to this country?—A. No. We received that in cash some years ago.

Q. You say you received it in cash?—A. Yes.



*By Mr. Stick:*

Q. That has already passed through the books as having been received in Canadian currency?—A. Yes, sir, some years ago.

*By Mr. Fraser:*

Q. That would really be in 1946, would it?—A. In 1946 or 1947.

The CHAIRMAN: May Mr. Bryce go on with the nature of the vote?

*By Mr. Bater:*

Q. Was any of the amount you mentioned which was received from UNRRA received in cash?—A. Yes, sir, it was received in cash.

*By Mr. Graydon:*

Q. What was the settlement of the Netherlands account?—A. The Netherlands settlement was an exceedingly complicated one because it involved not only the military relief claim but also the settlement of the blocked guilders that had been accumulated by the troops in Holland and taken over from them by the Defence Department. And that gave rise to a complicated settlement which has been covered by an exchange of notes. It was published in the Treaty Series and tabled in the House, I believe, some time ago.

Q. Have you got the amount there?—A. I shall have to see. I am not sure that I have. I have the amount of the military claim of \$14 million on the Netherlands. But I shall see. I do not believe I have got that with me, Mr. Graydon. I am sorry.

*By Mr. Stick:*

Q. That would be included in the \$14,099,000?—A. No. That would give us the amount of the claim. That was not what we got out of that from the Netherlands. I can tell you in a general way. They agreed to our use of a certain amount of the guilder balance we had in the Netherlands and they agreed to make deferred payments to us in dollars for certain other amounts. What I do not have is the total of those payments of each kind.

*By Mr. McCusker:*

Q. It was my understanding that you were to get that for us with the others?—A. Yes. I think that is perhaps the easiest way of having it set forth.

Q. Yes.

*By Mr. Fraser:*

Q. We received some of it in dollars and some of it would be blocked, would it not?—A. We have received, sir, a certain balance in guilders which can be used for expenditure in the Netherlands by the Canadian government for general governmental purposes, or for expenditure in the Netherlands by Canadians for cultural or educational purposes. I believe those balances total about 7 million guilders, but I am speaking from memory.

*By Mr. Pinard:*

Q. That would be half of the claim?—A. No. I said 7 million guilders. It would be something much less in dollars.

*By Mr. Graydon:*

Q. Was consideration given by the department to any alternative scheme of setting up these accounts from the one which has been adopted?—A. Well, at one time we did consider putting these claims on our balance sheet but we came to the conclusion that would not be sufficiently conservative accounting.

*By Mr. Fraser:*

Q. But this kind of accounting would not go over with the Income Tax Department. They would not like that kind of accounting, would they?—A. They have a reason for not permitting too conservative accounting.

*By Mr. Macnaughton:*

Q. This same system of accounting was followed last year in the estimates, was it not?—A. Yes, sir. It has been followed since we have been dealing with this type of operation.

Q. I do not want to be unkind, but I am at a loss to see why the Auditor General was so upset this year, when the same system has been followed in previous years?—A. I might just speak briefly about that. I think in trying to understand it it is well to look at the wording which Mr. Fraser read out some time ago of the first vote of this character which appeared in the supplementary estimates for 1948-49 brought in in 1948. At that time when we were commencing these negotiations and arrangements and it was desired to get some authorization from parliament to proceed with them it appeared that we might actually receive—not money in any sense—but actual buildings or furnishings as part of the settlement. That posed before us a rather unusual problem in estimates, to authorize in effect the acceptance of settlements for a claim in a certain form and its use for departmental purposes. So it was with that in mind that the original estimates were introduced in 1948 to authorize the acceptance, as you will note, of lands and buildings to be used for Canadian government offices or residences in these countries, eliminating the qualifications and alternative settlement; and then it went on to say authorize, because we were not sure whether we would get it in the form of physical assets, the acceptance of moneys that the government could use for the purpose of the purchase of such physical assets, that is “of local currency deposited in special accounts to be expended only in payment of such property . . . etc. . . . expenditures of currencies so deposited for these purposes being hereby authorized.” That is the way in which it arose. In other words when it was contemplated that we might be receiving physical properties to be used for departmental purposes, clearly, in that sort of circumstance it was exceedingly difficult to know how to deal with it because there might be no actual financial transaction involved. Moreover, there were, as Mr. Pearson pointed out in commenting on the particular votes this year, all sorts of uncertainties to be faced in trying to indicate in advance what amount we were likely to get and that the department would themselves be able to spend for these purposes. Moreover, I think Mr. Pearson also indicated that to put the actual amounts in was apt to influence negotiations for a settlement. Well, for these reasons, the initial vote stuck to this general form, and as far as I am aware no exception to it was taken by the House at that time, sir. The following year we were fairly clear that we were not likely to receive the physical assets or properties in settlement and consequently the form of the vote became what it is in this year's estimates: “to authorize the use during the fiscal year 1949/50 in payment for the acquisitions, improvement or furnishing of properties for Canadian government offices and residences in foreign countries of inconvertible foreign currencies from deposits of such currencies which may be used only for governmental or other limited purposes in these countries and which have been received by the government of Canada from other governments in settlement of claims arising out of military operations or war expenditures”. Again, it was exceedingly difficult at that time to anticipate the amount that might be received in settlement, or the amounts of money that might be usefully and properly spent in making purchases of properties. I believe it is true to say that other countries, too, find it difficult

to anticipate the amount that they will be able to use in the purchase of property abroad. I believe certain countries have a fund into which moneys are placed each year that may be used not only in that year but in subsequent years for these purposes. We have no such arrangement, but this is intended to have somewhat the same purpose in respect of the use of these inconvertible currencies where it is exceedingly difficult to make an estimate of what can be properly used.

*By Mr. Graydon:*

Q. May I ask you whether or not any official or informal discussions have ever taken place between your department and the Auditor General when an item of this kind comes up, to see whether it is going to be a proper item or not?—A. There were discussions between ourselves and the Department of Justice, not the Auditor General. We wished to be sure that it would be a legally sound arrangement and we were advised that it was legal. The real problem, of course, is whether it gives parliament the degree of control that parliament should have, because obviously the elements that are involved here are elements of uncertainty arising from negotiations on the one hand and the purchase of property on the other.

Q. Well then, I take it that your department and the Auditor General were not in as close co-operation as perhaps might have been desirable in dealing with a matter of this kind.—A. It is not a question of close co-operation, sir, on this point; rather it was a matter which we thought it was not necessary to take up with the Auditor General.

Q. Which may have been a gross error on your part.

The CHAIRMAN: In a matter of this kind we are dealing with new factors which were not present four or five years ago.

The WITNESS: To answer the question raised by Mr. Graydon, I think it is fair to say that this point is not an auditing point.

*By Mr. Stick:*

Q. Would it not have been more convenient if you had gone to the Auditor General first and found out how the item should be handled so when he came to investigate your department you would have a previous arrangement or understanding as to how the item was to be handled?—A. Well, yes, sir.

Mr. STICK: I should think you would.

Mr. GRAYDON: That was what I was trying to ask.

Mr. STICK: It would not be an independent audit because you would have made an arrangement beforehand.

The WITNESS: As I say, actually, this is not a question of auditing.

Mr. GRAYDON: I would be surprised if that was carried out to the letter in every department. While Mr. Stick has very lofty ideas as to the strict fencing between the two departments, I am wondering if there may not be some little official hints between the Auditor General and some of the departments of government.

Mr. STICK: The Auditor General has the rather lofty ideals, as I would certainly like the Auditor General to have. He is the one who has criticized the government pretty severely on the matter. We want to see in this auditing of accounts that they are clear, straight and above board, if we have not that much confidence in the Auditor General I think we have no confidence in the system at all.

Mr. GRAYDON: May I ask Mr. Bryce what is the real crux of the collision between the department and the Auditor General on this particular issue?



The WITNESS: This is not primarily a departmental question. This form was decided upon by the Treasury Board. The Minister of Finance has authorized me to say that the board gave quite considerable thought to this problem because they realized it was a novel type of authority to request from parliament, and they did consider the various types of alternatives quite fully, and whether it would be possible to ask parliament to authorize a round sum for this purpose. If that was done there was no particular basis upon which a sum could be selected or defended. Any round sum that one chose would be bound to be merely an arbitrary selection, on the one hand, and might still have some influence on the negotiations on the other.

*By Mr. Pinard:*

Q. You say that the method adopted was submitted to the Department of Justice before it was adopted?—A. We discussed, with the officers of the Department of Justice, what the legal effect would be.

Q. That is the usual practice?—A. Yes, but I do not say that we secure formal opinions on these matters.

Q. But you communicate with Justice to see whether there is any legal objection?—A. Yes, but I think it is fair to say that this is not basically a legal question. It is a question of the nature of the items parliament wishes to include in the Appropriation Act.

Mr. FRASER: It is an accounting proposition?

Mr. MACNAUGHTON: No, it is a practical solution it seems to me, to a very difficult question. There is nothing illegal in a barter deal either.

Mr. FRASER: No, as long as you show what you receive and what you pay out.

The CHAIRMAN: There is one point which I would like to make clear. Mr. Graydon asked whether there was any consultation between the Treasury Board and the Auditor General. Being an accountant myself, I cannot see the tie-up there. The Auditor General deals with the reports he receives from the various departments. If he were consulted beforehand his hands might be tied on these different items. Personally, knowing something of accountancy I do not see how that would work out. The Auditor General is just an impartial man sitting there dealing with things that are recorded, statements made by the department, and so forth.

Mr. Low: At the same time, Mr Chairman, there would be nothing wrong with any departmental accountant going to Mr. Sellar's office and saying that his department proposed to do this or that, and asking whether it was in accordance with the Auditor General's principles. The Auditor General would guide him.

The CHAIRMAN: There would be nothing wrong with that, in principle.

Mr. FRASER: That was the only distance I intended to go. Perhaps I was misunderstood but as I did not get a very clear denial from Mr. Bryce that the very thing did not go on sometimes, I would think it very likely that on many an accounting question there may be consultations between the various accounting officers of the government and the Auditor General.

Mr. Low: I would not bet \$10 that when the matter was put before the Department of Justice someone from there did not go to Mr. Sellar's department and discuss it.

The WITNESS: Frankly, sir, I do not believe they would have thought that it concerned the Auditor General.

Mr. Low: I say I would not bet \$10.



*By Mr. Fraser:*

Q. Mr. Bryce mentioned that cheques on these blocked amounts are drawn by the Receiver General or his agent.—A. I am sorry, sir, the comptroller of the treasury.

Q. That is the comptroller of the treasury or his agent. In the case of the External Affairs Department who would be the agent of the comptroller in the Netherlands? Would he have an agent there, or would this have to return to Canada and go back again before anything could be drawn?—A. I am speaking from memory and subject to correction, but the chief treasury officer in the United Kingdom, who is an officer of the comptroller of the treasury, has authority to draw cheques on these European accounts and it has been found that the cheques on these blocked accounts are issued by the headquarters office of the Comptroller of the Treasury in Ottawa, since the payments must in any case be authorized in Ottawa.

Q. Then the External Affairs Department would have to make their application to him in the United Kingdom and he would, in turn, have to give his approval to that?—A. Well, he is not asked to approve anything more than that it is an authorized transaction. He acts in the same way as all the treasury officers in Canada act in issuing cheques on departmental requisition.

Q. If the Department of External Affairs was in course of buying a piece of property for \$136,000, as they did this year, all they would do is just put the requisition in to the treasury officer for \$136,000?—A. That is right.

Q. And he would sign it?—A. Yes, it would be so many hundred thousand guilder or whatever the local currency was.

Q. Yes, but equal to \$136,000. I think we have it in dollars here.—A. Yes, he would sign a cheque and issue the cheque just as the treasury officers in Canada would do for Canadian transactions.

Q. But that application could not be made unless one officer of the Department of External Affairs made the requisition?—A. I am sorry that would be a detail of the administration but there would be certain officers authorized to requisition cheques.

The CHAIRMAN: Mr. Pearson mentioned that the other day. He did not give us the name of the official but he said there were officials authorized to do that and they were specialists.

*By Mr. Fraser:*

Q. Who in Europe has the authority to sanction purchases of \$136,000?—A. Those purchases, sir, would be sanctioned first by the headquarters of the department in Ottawa and in this particular type of case by the Treasury Board itself, before the cheque was drawn.

Q. That might apply in items as large as this, but how would they carry on for items around \$5,000 or \$10,000 over there?—A. Because of the nature of these transactions, it has been understood that we get the approval of the Treasury Board before entering into any such purchases. I suppose if we got to the place where we were using these accounts for minor furnishings that system might be too cumbersome.

*By Mr. Stick:*

Q. I am not too clear on the procedure through the External Affairs. Who would authorize this gentleman from the Treasury Board in London to make this expenditure. He does not do it on the authority of that department alone, does he? He would have some authority from the Treasury Board here, before he would issue that?—A. Yes, sir, I am sorry the word "treasury" occurs in two different ways, and is apt to be confusing.

Q. He would be taking an order from a different department. That would be authorized by the Treasury Board here before he would make the expenditure,

would it not?—A. Let us say an External Affairs man in a particular country would decide, in his view, a certain purchase should be made. He will recommend it to the headquarters in Ottawa. The headquarters in Ottawa will go into the matter and if they approve it they will recommend it to the Secretary of State and if he approves it he will recommend it to the Treasury Board and if they approve it they will issue a minute or further recommend it to the Governor in Council from which an order in council will issue and then the Department of External Affairs, having received that, will then make application to the chief treasury officer in London for the issue of the cheque. He, in turn, will presumably have been notified by the comptroller of the treasury in Ottawa by cable or otherwise and he will then issue the cheque.

Mr. PINARD: I will not ask you to repeat that—

Mr. McCUSKER: That is what you get by asking too many questions.

Mr. GRAYDON: At last the roaming funds come to rest!

Mr. PINARD: I will not ask you to repeat that, but what we can gather from your explanations is this, that such a purchase is not made very easily if it has to go through first the department, the Treasury Board, the Governor in Council, and then the issuing of the cheque is recommended by the Treasury to the treasury officer in London.

The WITNESS: It is authorized by the Treasury Board and the department will issue the cheque.

Mr. GRAYDON: You did not mention parliament in any of that expenditure of money?

The WITNESS: That comes at an earlier stage.

Mr. GRAYDON: Are you sure it is not sometimes too late?

*By Mr. Low:*

Q. Can Mr. Bryce tell us whether or not they use the practice of issuing overdrafts from one vote to another, in the departments?—A. We are not permitted to transfer funds from one vote to another except, I should say, with minor exceptions. There are two or three votes which are specifically for the purpose of making transfers to other votes, but those are minor exceptions. Normally the funds may not be transferred at all from one vote to another.

Q. I mean within a department.—A. I think perhaps what you have in mind is within a vote. The Treasury Board may transfer to us from one item to another.

Q. Is that practice followed?—A. Yes.

Q. Take the case—this is just about what Mr. Gordon Graydon said—take the case—I think he referred to the Netherlands a while ago—of a vote, that is, a certain expenditure that was charged back to vote 54.

Mr. STICK: Credited back, you mean.

*By Mr. Low:*

Q. No. Charged back.—A. That is right. The point was raised earlier.

Q. Yes. Let us suppose after charging that item back to the vote there was an unexpended balance of \$X. Is there any way by which that unexpended balance can be spent by an overdraft on some other item in the department?—A. No, sir, not of any other item that is not proper to that vote.

*By Mr. Fraser:*

Q. That covers quite a lot, does it not?—A. Suppose there was an unexpended balance in the vote for representations abroad. It could not be used to meet expenditures in Ottawa that should be charged to departmental administration.

Mr. Low: That was the thing I wanted to follow up because as long as that is possible, then the procedure outlined by Mr. Bryce does, in reality, means that parliament votes what we spend of that blocked currency.

Mr. McCusker: And anything received from that blocked currency goes back into the revenue.

*By Mr. Low:*

Q. It really does not.—A. I would not want it to be thought that it is as simple as that and for this reason; that that particular transaction you speak of, the purchase, let us say, of an embassy property in Copenhagen could be charged to either one of two votes; and it was in fact charged to vote 54 in 1948-49.

Q. As long as it is charged to vote 54 then in reality the amount is voted.—A. Yes.

Q. But if it is charged to vote 67 then it becomes money spent that has not been authorized by parliament.—A. Oh, no.

Q. Yes, sir.—A. It has been authorized by parliament in this particular vote.

Q. That is right, by \$1.—A. Yes.

Q. But it might mean \$195,000. The point I wanted to get, and I think Mr. Bryce has explained it, is that as long as the charge is made to the vote, not to vote 67, then I think it is quite a proper procedure and is safeguarded by parliament.—A. Yes.

*By Mr. Fraser:*

Q. Well it does and it does not. If there was any of that money not spent and it was for representation abroad or in that country, they might spend it on anything under the sun over there, in External Affairs. They might spend it on anything without any other tag being kept on that money. Am I right?

Mr. Graydon: This is what might be called a floating vote, only it is not always described in the same way, is it?

*By Mr. Bater:*

Q. Is this a revolving fund?—A. No, it is not revolving fund, sir.

*By Mr. Graydon:*

Q. I think I am right.—A. What you mean is the purchase of a property charged against vote 67, and that funds from vote 66 did not have to be used for that purpose and would be available for that purpose?

*By Mr. Fraser:*

Q. Yes.—A. I should point out that in determining the amount of vote 66 we have in mind the existence of vote 67. The Treasury Board in authorizing these estimates is bound to take that into account.

Q. Let us suppose the amount in that vote was \$200,000; and that when they came to buy a property or something, the price was down from \$200,000 and they discovered they only had to spend \$180,000. Therefore they would have \$20,000 left to play with. Am I right?—A. That is right.

Q. And that could be spent for anything in that embassy over in that country?—A. Yes. Of course that is a normal consequence of over-providing in any vote.

Q. Yes.—A. If there is over-provision in any vote it means that there are funds there which could be used for any purpose in that vote.

Q. And then there would be no track of that \$20,000?—A. There would be track of it in the public accounts just like any other expenditure.

Q. Eventually?—A. Yes, sir.



Mr. STICK: You cannot spend an extra \$20,000 in any country that way.

Mr. FRASER: Oh yes, that is what I am talking about; they can spend that extra \$20,000, without going to the Treasury Board, they can take it and spent it.

Mr. MACNAUGHTON: If they overestimated by let us say \$50,000 in a vote of \$200,000; that is, if they only used \$150,000 out of the \$200,000, they could not use that other \$50,000 just as they saw fit, could they?

The WITNESS: It would depend on the nature of the expenditure. Certain expenditures are controlled in various ways in addition to the estimates. If you will look at the details at the back of the book you will see this on page 113 of the estimates. You will see the various items for the details for representation abroad; so much for operating expenses, so much for capital items—Argentina, Australia and so on. Now, they have extra funds let us say in the Argentine item which they do not need for their operations in that country; they could not use those funds, let us say, in Australia without coming to the Treasury Board and getting authority to transfer between those accounts.

Mr. FRASER: I know, but they could spend them in the Argentine.

The WITNESS: Yes, that is right, except for this, they could not spend them for staff, they will have to provide a position before they can be used for staff.

Mr. FRASER: But if they wanted to spend them on furniture or entertainment?

Mr. McCUSKER: I think, Mr. Chairman, they are entirely too lax on this matter of expenditures. If they are going to build the building anywhere they would first ascertain the purchase price and apply for the money to meet it.

Mr. FRASER: Mr. Chairman, Mr. Bryce I think has borne out what I have been trying to find out, that that money could be expended in the Argentine without a further vote or without any further check.

The WITNESS: I am not quite sure what you mean by further check. In certain types of expenditures they require authority from the Treasury Board or the Governor in Council; for instance, if they are going to spend it on staff they have to have positions authorized; now, it may well be that they have a vacant position in representation abroad categories which they could use there. In that case they could do it without coming to us. If they want to spend it on things like furnishings and things of that sort it is usual for them to come to Treasury Board and have furniture expenditures authorized if it has not been approved on a prior program. I suppose there are certain types of small local expenditures where they would not need to get that special authority but those would be relatively minor matters.

Mr. STICK: You would have a check on all expenditures of that kind when they came before the Auditor General.

The WITNESS: Well, sir, it comes before the Comptroller of the Treasury. The Comptroller of the Treasury in fact pre-audits accounts before the cheques are issued and he has to be sure that there is appropriate authority for sending the cheques out. In doing that he looks to see first if there is parliamentary authority for the vote. That is the first essential, seeing that there is the proper parliamentary authority. He will then see what there is in the way of any order in council or Treasury Board minute that governs it to see if such authority must have been obtained in order to authorize it. He sometimes finds a most unusual type of expenditure and the Comptroller is not certain whether or not it requires to be approved by Treasury Board so he will refer it to the Board before issuing a cheque.

Mr. MACNAUGHTON: In simple terms what this criticism amounts to is that those who have control of our representation abroad are not to be trusted, it is implying that they are going to take the \$20,000 and use it any way they like.



They can't get the money in the first place unless they make a demand for it, and that demand goes to some official who makes a thorough check to see that it is properly authorized.

The WITNESS: We exercise very close control.

Mr. STRICK: The department has to assume responsibility for the expenditure of that \$20,000 and has to account for it to the Auditor General and to the Comptroller of the Treasury.

*By Mr. Cote:*

Q. On this specific item, the purchase of a building, can you take the extra money spent on that and use it any way you like?—A. No, not unless you have authority for that different expenditure.

Q. And that authority has to be obtained from the department here who in turn must get the authority for the expenditure from the Comptroller of the Treasury or the Treasury Board?—A. Now, I am not sure that the missions abroad have authority delegated to them from the department to make certain types of minor expenditures locally, but that does not cover expenditures for staff unless possibly for temporary assistance for the odd day or so.

Q. But the authority does not permit expenditures of the type under discussion here without approval of the Treasury Board?—A. Only for certain types of things.

Q. Yes, they are limited as to amounts. You refer to minor items; an amount of \$20,000 would hardly be considered a minor item, would it?—A. If they were going to incur special expenditures, let us say for entertainment; as an example, today Treasury Board authorized an expenditure by one of the missions abroad for a Dominion Day reception, which is entertainment expenses. This has to be done fairly well in advance because this is a fairly remote place. That is the type of thing which by custom if not by law comes to the Treasury Board for special authorization. At the same time I am sure that missions abroad have authority to incur certain minor expenses without having to go to headquarters for authority, just as an operating matter.

Mr. McCUSKER: Well, Mr. Chairman, there is one matter about which I am satisfied, and that is in the purchase of a building they would first have to negotiate for the purchase of the property and would know the price at which it could be obtained, and before they could spend any money in respect to its purchase they would have to have an order in council passed authorizing the expenditure of the money. You just can't throw away \$30,000 or \$40,000 or \$50,000 without any check.

Mr. COTE: No, not unless you have special authority to do it.

Mr. McCUSKER: Before an appropriation with respect to representation abroad in an amount like \$200,000 would be made the mission would first have to get a price on the property they intended to purchase and the money authorized would be in the amount indicated and for that purpose. I maintain that these missions abroad have specific votes for specific purposes; let us say one for entertaining, one for furnishings, one for this and one for that; and it is their responsibility to see that the money is used in the various ways for which it is authorized. They can't just throw it away.

Mr. BATER: I think there is a thing that ought to be cleared up right here. We will suppose under this scheme that there is a building to be purchased and a vote authorizing an expenditure of \$200,000 is put through to buy an embassy building in a country abroad and it is found that that building is only going to cost \$150,000; now then, has there got to be authority transmitted to spend every cent of that \$50,000 over and above the actual cost of the property? That is what I think is in the mind of some people here. Some people think that can be frittered away.

The WITNESS: Yes, Mr. Bater, you would have to have special authority for any further expenditure.

Mr. BATER: For any purposes whatever—

The CHAIRMAN: He said, "any further".

The WITNESS: I said for any purpose whatsoever. If it is not right there in the law; at least that is the understanding between the department of External Affairs and the Treasury Board.

The CHAIRMAN: Are there any further questions?

Well, Mr. Bryce, we have appreciated your testimony.

Before we adjourn I believe you all realize that at our first meeting next week we will be starting on the estimates. Our preliminary deliberations and discussions have been conducted in a satisfactory manner, and we had the minister here for four sittings. If possible, we will come to the different items.

Mr. STICK: When will the next meeting be?

The CHAIRMAN: I suggest that you leave that to the chair.

Mr. FRASER: I have heard some objections from your own members regarding meeting Monday morning or Monday afternoon and some of them wanted to meet on Monday night. Actually, it does not matter to me.

The CHAIRMAN: If you will leave it to me I will do my best.

Mr. MACNAUGHTON: Could we not move that item 67 carry, Mr. Chairman?

The CHAIRMAN: No; not at this stage, we will call the first item when we have Mr. Heeney here at our next meeting. Then we will start on the departmental items.

The committee adjourned.













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External Affairs, Standing Committee

SESSION 1950  
HOUSE OF COMMONS

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Government  
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

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No. 6

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TUESDAY, MAY 16, 1950

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Main Estimates of the Department of External Affairs—Items  
64 and 82

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WITNESS:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.F.S.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950





## STANDING COMMITTEE

ON

### EXTERNAL AFFAIRS

*Chairman:* J. A. Bradette, Esq.

*Vice-Chairman:* Gordon Graydon, Esq.

Messrs.

Balcer	Diefenbaker	Low
Bater	Fleming	Macnaughton
Beaudoin	Fournier ( <i>Maisonneuve- Rosemont</i> )	McCusker
Benidickson	Fraser	Noseworthy
Breithaupt	Gauthier ( <i>Lake St. John</i> )	Mutch
Campney	Gauthier ( <i>Portneuf</i> )	Pearson
Coldwell	Goode	Picard
Cote ( <i>Matapedia- Matane</i> )	Green	Pinard
Croll	Hansell	Richard ( <i>Ottawa East</i> )
Decore	Jutras	Robinson
Dickey	Leger	Stick

*Clerk:* Antonio Plouffe.

### CORRIGENDA

a. Page 29, 5th paragraph should read:

Hon. Mr. Pearson; The recommendation usually is made after discussion between the Department of External Affairs and the Department of Trade and Commerce.

b. Mr. McCusker; page 131, line 21st: the words "they are entirely too lax" should read "*they are not too lax*".

c. Minutes of proceedings and evidence—No. 2 page 35—Evidence should be dated April 28.

## MINUTES OF PROCEEDINGS

TUESDAY, May 16, 1950

The Standing Committee on External Affairs met at 11 o'clock a.m. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Balcer, Bater, Benidickson, Bradette, Coldwell, Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Portneuf*), Graydon, Goode, Hansell, Jutras, Leger, Low, Macnaughton, McCusker, Noseworthy, Richard (*Ottawa East*), Stick.

*In attendance:* Messrs. A. D. P. Heeney, H. O. Moran, S. D. Hemsley and F. M. Tovell.

After discussion, it was agreed to hold the next meeting on Thursday of this week at 8 o'clock in the evening.

Mr. McCusker asked that a correction be made in the evidence of May 9, No 4 (*See corrigenda in this day's minutes of proceedings and evidence.*)

Mr. Heeney was called and made a general statement on departmental administration and estimates. He tabled for distribution copies of an analysis on expenditures.

He indicated that the grant to the United Nations Association in Canada had been increased to \$10,000.00.

The witness gave figures on the number of permanent and temporary employees in the Department.

Mr. Jutras questioned the witness at some length on Item 82 and the Red River flood.

After discussion it was decided to call an official of the International Joint Commission on Item 82.

Mr. Heeney gave a list of the departmental publications and it was agreed that the members of the Committee should receive them.

The witness was assisted by Messrs. Moran and Hemsley.

At 1.05 the Committee adjourned until Thursday, May 18 at 8 o'clock.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## EVIDENCE

HOUSE OF COMMONS,  
TUESDAY, May 16, 1950.

The Standing Committee on External Affairs met this day at 11.00 a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen we will now call our meeting to order. The first matter of business concerns our next meeting. As you know there is quite a variety of committees sitting at the present time and it is always a problem to arrange for meetings. Would it be satisfactory if we met tomorrow morning at 11.00 o'clock?

Mr. FLEMING: Well what committees are sitting tomorrow?

The CHAIRMAN: Old Age Security meets at 4.00 o'clock.

Mr. McCUSKER: Is there not a general caucus?

The CHAIRMAN: Oh yes.

Mr. FLEMING: There is one time when there is no competition with other committees and that is Friday afternoon at 4.00 o'clock?

Mr. FRASER: How about Thursday morning?

Mr. FLEMING: Old Age Security meets on Thursday morning.

The CHAIRMAN: National Research Council also meets that morning.

Mr. GRAYDON: I am wondering whether the same discussion takes place at the meetings of other committees such as Public Accounts and Old Age Security with respect to when we meet. I think we had better plough our own furrow in this matter. It seems to me that we are rather playing second fiddle to other committees and yet this is the most important committee of all.

Mr. FRASER: What about Thursday evening?

The CHAIRMAN: Thursday evening at 8 o'clock?

Agreed.

Mr. McCUSKER: Mr. Chairman before you go ahead, at the last meeting you will remember that there was a discussion, which appears at page 130 of the report, wherein Mr. Fraser brought up this question:

Let us suppose the amount in that vote was \$200,000; and that when they came to buy a property or something, the price was down from \$200,000 and they discovered they only had to spend \$180,000. Therefore they would have \$20,000 left to play with. Am I right?

The answer was, "That is right."

Later, I objected to the question and I am misquoted as follows:

I think, Mr. Chairman, they are entirely too lax on this matter of expenditures.

That is not what I said. I said:

I think, Mr. Chairman, they are not so lax on those matters of expenditure.

I went on to say: "If they are going to buy a building anywhere they would first ascertain the purchase price and apply for the money to meet it".

I would like to have the correction made.

The CHAIRMAN: The correction will be made, Mr. McCusker.



As you know, Mr. Heeney is here today and he will, in his usual manner, make a general statement, and then there will be a period of questioning. After that we will carry on with the estimates, one after the other.

Before we proceed, however, Mr. Jutras has requested that he be permitted to ask Mr. Heeney a few questions pertaining to some matters on which he wishes information in connection with a statement he will make next week.

MR. JUTRAS: I must apologize for not having been here at the previous meeting and I am not quite up to date on your procedure. However, if the idea now is to go on with a general statement before getting down to the detailed estimates, and if Mr. Heeney is going to make that statement now, it is quite all right with me for him to proceed with the statement and then I can ask whatever questions I have when he is through with the statement.

I will tell you what I have in mind. The questions relate to the International Joint Commission and my idea is that Mr. Heeney will be in a position to answer when we get to the estimates. The questions will entail a certain amount of research. It is immaterial to me whether I ask questions now, or after the general statement.

#### **A. D. P. Heeney, Under Secretary of State for External Affairs, called:**

THE WITNESS: If Mr. Jutras will let me have a note of the precise information which he wants, it would be of great help because we would not be able to answer offhand, without notice, some of the details in connection with the International Joint Commission.

MR. JUTRAS: I think it would be preferable for us to discuss it a little to make sure that you get the points I have in mind?

THE WITNESS: I would like to be sure so that I may be prepared to answer.

MR. JUTRAS: I do not suggest that you would be in a position to answer now. Perhaps you should proceed with your statement now and then I could ask questions afterward.

MR. FLEMING: May I ask whether Mr. Heeney at some early stage proposes to furnish us with the usual statement or breakdown of expenditures?

THE WITNESS: I propose to do so now but, the committee is meeting somewhat earlier than last year and other years, and therefore we have not complete expenditure figures for the full twelve months period. We have, however, prepared, in the same form as for previous years, an analysis of expenditures where we have complete figures. Where the figures are not complete—and that involves missions where communications are not so rapid—we have made informed estimates for the twelfth month. The analysis will not be precisely the same as in former years because there will not be complete figures for a number of items.

I think the committee will be able, from the analysis which we will pass around to make their comparisons with the estimated figures. That, I think, is the principal purpose of the analysis and the information will be passed around to members of the committee very shortly.

THE CHAIRMAN: Are you ready to proceed?

THE WITNESS: The estimates of the department, Mr. Chairman, appear on pages 9, 10, 11, and 12 of the Blue Book, and the details appear on pages 112 to 118 of the same publication.

The general statement that I propose to make to the committee will have, as its object, the direction of the committee's attention to certain outstanding features of the estimates for this year, as compared with the estimates of last

year and the estimates of other years. It will not attempt, in any sense, to be exhaustive in explanation but merely to describe the reasons for the principal differences between this year's figures and those of other years.

It might be helpful to the Committee if I were to begin by drawing attention to certain features of the Department's Estimates for the current fiscal year.

Members of the committee will notice that the total amount for which parliament is being asked shows a striking reduction from that which was voted last year. The total last year was, in round figures, \$17·4 million, this year it is \$11·8 million—a reduction of more than \$5·5 million. This large decrease results, for the most part, from reductions in Canada's assessments for membership in, and contributions to, certain international organizations. The largest of these reductions will be noted on page 12 under "Terminable Services"—\$3,316,000 less for the International Refugee Organization and \$1,140,000 "*appropriations not required for 1950-51*", the latter made up of contributions last year of \$1,075,000 to the International Children's Emergency Fund and \$65,000 to Near East Relief. A further appropriation not required this year is shown on page 11, under "Assessment for Membership in International Organizations"—\$523,900. The last amount consists of last year's and this year's contribution to the World Health and other Organizations. We provided for this year's contribution in the Supplementary Estimates last fall in order that the contribution could be paid on January 1, 1950, when it came due.

The Committee will also notice a reduction of some \$632,000 in the amount provided for normal departmental activities that is in the "Total Department and Missions Abroad" at the bottom of page 10. The largest part of this reduction is in Vote 66, "Representation Abroad". I should like to say at once that this lower figure does not imply that missions will be withdrawn from any of the countries in which Canada is now represented. Nor does it represent any curtailment of the department's activities in any of our offices at home or abroad. In fact, this year's estimates include provision under "New Offices" (at page 114 in the "Details" of Vote 66) for a certain minimum expansion if the government decide that certain additional offices are necessary or advisable. The minister made some mention of this contingency when he appeared before the committee. We have limited our provision under this head to what could be foreseen as likely to prove desirable during the fiscal year and to an amount, \$130,000, which is considered essential for such additional operations should they be decided upon.

Members of the committee may recall my mention last year of the department having to budget for a "carry-over" at the end of each fiscal year so as to provide in effect for thirteen months supply rather than twelve. As a result of further examination of this problem with the Department of Finance, procedures have been agreed which have made it possible for us virtually to eliminate this element from our estimates. This has permitted us, for example, to reduce materially the item "Sundries" under "Representation Abroad" (at page 114).

Other factors which explain the sharp reduction in this year's total are a movement of costs in our favour in sterling areas resulting from the revaluation of currencies, the deletion of certain "capital" items from our program, the postponement of the replacement of certain motor vehicles and further restriction of expenditures. Further explanation of individual figures can of course be given as the committee reviews the different votes.

Our estimates are close estimates. We are, I believe, pretty well down to the bone for the department's current and projected scale of operations. The inevitable result of this "close" estimating is a lack of leeway which has its drawbacks when one has to prepare figures so far in advance of expenditure and when circumstances cannot be forecast with any precision. For example, we have

just received notice that, in Australia, the house rented there for our high commissioner is to be sold. Housing in Canberra is very difficult to come by. As a result, we may now have to undertake a purchase not contemplated nor "foreseeable" when the estimates are prepared.

Mr. GRAYDON: Of course we took their house here, and I suppose they have taken our house over there.

The WITNESS: I suppose death was the thing we did not foresee there. The house fell into an estate and the estate is liquidating the assets, including this house.

Mr. GRAYDON: We did not foresee the Prime Minister taking their house here.

Mr. BENIDICKSON: It was never theirs.

Mr. GRAYDON: I will not argue with you.

The WITNESS: Again, the revaluation of the Russian rouble, which has taken place since the preparation of the estimates, will alter substantially the costs of operating our mission in Moscow for this fiscal year.

The CHAIRMAN: An increase?

The WITNESS: Yes, a very substantial increase. It is probable, therefore, that we will have to come forward for a supplementary estimate to cover these added costs. The same is true of our Passport Office vote. We made a guess, and a conservative guess, of the number of passports we would need for travel this year, bearing in mind the special demands during Holy Year. We may be low at 60,000. If we are, we will have to ask for further funds for this vote.

On page 113, of the printed estimates, members will notice in the "Details" under "Departmental Administration" an item "Travel and Removal Expenses" \$245,000 (a slight reduction from last year's estimate), and on page 114, under "Representation Abroad" an item "Travelling Expenses" \$80,200 (a drop of some \$55,000 from last year).

This decrease does I believe represent a certain settling down process, which has come about gradually. The necessity for moving people about so much is not now as great as it was in the earlier stages of our development.

Most of our missions abroad have now been in operation long enough since the war for us to surmount the peak in the amount of travel necessary for our officers and staff—that is to return to Canada those who have served the prescribed tour of duty abroad, and to replace them by others. "Travelling Expenses" under Vote 66 "Representation Abroad" is intended to cover travel on official business by those in posts abroad. Travel from any post back to headquarters or to another office abroad on permanent posting should not be charged to the mission. Otherwise yearly post expenditures will not reflect the true year-by-year activities and costs of the post. This is not precisely true of the two travel items you now have before you this year but a start has been made in the direction of keeping the two types of travel separate and distinct. It is our intention in future years to move all travel expenses, except purely local business travel, from the vote for "Representation Abroad" to that for "Departmental Administration".

Members will notice on page 114 under "Representation Abroad" a reduction in the item "Rent" from \$335,400 to \$290,250. This is accounted for, in part, by reductions in rentals consequent upon the revaluation of currencies in sterling areas and in certain South American countries and, in part, by our giving up certain rented residences.

A further reduction under "Representation Abroad" will be noticed on page 114, "Further amounts required to allow for adjustments in allowance scales".

I should perhaps point out that the vote for this adjustment in allowances last year was \$275,000. This year it is \$20,000.



The allowances included in the estimates, however, are those in effect when the estimates are prepared in the fall. They do not, therefore, take into consideration any changes which may be effective on January 1 and continue throughout the calendar year. For this reason, when we prepare the estimates we ask the bureau what, from their preliminary studies, they would consider to be a reasonable figure to include in the estimates to take care of adjustments in allowances for the coming year. Last year, the bureau considered we would need some \$275,000 more to meet estimated increases in living costs; this year the bureau believed that \$20,000 would provide sufficient leeway for this purpose.

*By Mr. Croll:*

Q. While we are here that seems like a very substantial reduction. You were there and you saw all of the offices some time this year—since the estimates were made up—would you say that is a fair estimate of what is necessary?—A. I think on the whole it has worked reasonably well. Of course, I only saw the western European missions and I am not altogether satisfied that the estimate made was adequate in all cases but, in general, my impression was that it did not prove to be too bad.

Q. Other people may have other views on it but that was not my recollection, from speaking to the various people—who did not complain by the way. In the main they found themselves in the hole as a result of the allowances made in some countries.—A. We are, at the present time, making a careful re-examination of this very difficult question of allowances. Of course, this item that I am speaking of now is, as it were, a hedge against further increases in the cost of living and that is its purpose. You are really addressing your question to the more fundamental matter of whether present allowances are adequate in all circumstances, having in mind the cost of living throughout the year.

Q. No, these are supplementary allowances?—A. This is an amount set by the Bureau of Statistics which makes its complete examination by the 1st of January. We have to prepare our figures in August. The August figures clearly cannot be as accurate as figures prepared in January. We say to the Bureau of Statistics in August "What do you think we are going to require in addition? Will the cost of living be going up and if so how much?" A year ago, in August, they said costs were tending to go up in all those posts and that we had better allow \$275,000. That was the figure we put in. Last August they apparently came to the conclusion that costs were not rising so sharply and they said that \$20,000 would suffice. That is the idea of this particular item.

*By Mr. McCusker:*

Q. Do I take it that when they estimated that costs were going up \$275,000 above what you allowed in making your estimates, then the next year you put the \$275,000 into maintenance of these posts, and this \$20,000 is an additional amount?—A. Do you mean that can we transfer it?

Q. No, but you increase it. Say that X equals the allowance you give posts abroad for maintenance?—A. Yes.

Q. You found out last year that you required \$275,000 more. Now does X this year equal X last year plus \$275,000?—A. Oh, I do not think so.

Q. Well, it depends on X?—A. That certainly would not be the calculation. The committee will notice that the figure for allowances on page 114, higher up in the column, is \$1,131,637.

Mr. BATER: That is an increase over last year?

The WITNESS: It is an increase over last year. The figure last year was \$1,079,000; but that increase is not obtained by simply adding on \$275,000 to the figure for last year. It is the result of a precise figure calculated last year.



*By Mr. McCusker:*

Q. Well, if in the light of experience you found that you underestimated the cost of maintaining your posts abroad by \$275,000 this year, in putting in your estimates for next year, you would provide for that?—A. That is perfectly true but this has nothing to do with the actual maintenance. This is solely allowances which are adjusted precisely in accordance with a calculation made by the Dominion Bureau of Statistics on the 1st of January.

Q. They are allowances provided for meeting unforeseen expenditures or increased costs?—A. Increased costs of living—the actual increases.

Q. Having seen that you underestimated two years ago you would provide for it this year? You would try to arrive if you could, at some cost of living index?—A. We would try to anticipate and adjust.

Q. This \$100,000 is just another bit put in to cover the slack?—A. Yes, based upon a calculation which the Bureau of Statistics gave us of what they figured the course of the graph would be in the various countries where we maintain missions.

*By The Chairman:*

Q. As you notice, Mr. Heeney is making a general statement. So shall we follow the usual practice of having him make his statement and then ask our questions afterwards?—A. I was about to draw the attention of the committee to one last feature of the estimates, an increase in our grant to the United Nations Association in Canada from \$5,000 to \$10,000. These features which I have mentioned are merely those for which I thought some preliminary explanation might be useful.

The CHAIRMAN: Are you finished with your questions, Mr. McCusker?

Mr. McCUSKER: Yes.

The CHAIRMAN: Now, Mr. Jutras?

*By Mr. Jutras:*

Q. Mr. Chairman, I want to turn more particularly to item No. 82 which is that of the International Joint Commission. I see there that the reference is:

To provide for preliminary studies and surveys of the mid-western watershed re-vote.

This, to me, appears in rather general terms. However, the order of reference is more specific than that. It is rather long, but the last paragraph of it is "to conduct necessary investigations and to prepare a comprehensive plan or plans of mutual advantage to the two countries for the conservation, control and utilization of the waters under the reference and under the recommendation proportionately thereof".

Two years ago a question was brought up in the House to ascertain if the Red River was included in that reference, and I understand that the then Secretary of State for External Affairs said that it was. I would like to find out exactly what we can expect of this International Joint Commission as far as this report is concerned.

There is some doubt as to the scope of the report. Now, what I would like to know is whether this report would take in all of the control of the waters along the Red River in the Red River Valley, whether this plan is confined mostly to the United States, or whether it takes in control of waters in Canada?

I think it is a fact, although it is assumed, that most of these waters come from across the border from the United States; but there is no question that there must be a substantial amount of water which also comes from Canada. Do this Commission and this report relate to control of all the waters which are exclusively Canadian which are added to the international water which is creating this problem? It would be very very helpful to have this information because I

think at the present time there is only the International Joint Commission which is working on the problem. So I believe it is very important to know exactly what they are doing.

If they are not taking in the whole of the picture, then some other agency should be set up to work to take care of the other part of the picture. Everybody is now most anxious to hear from the Commission at the earliest possible time; and I wonder if the Under Secretary of State is in a position to give us an idea of when a report will be forthcoming? And will he also keep in mind that if there is to be too great a lapse of time before that report can be presented, would it be possible to have an interim report, if they cannot possibly foresee the tabling of this report in a fairly short time?

Again I repeat; the idea of this interim report would be to put everybody wise, and to let everybody know exactly what phases it covers, so that if it is not completed, it may be supplemented. I ask this question because to my knowledge, and in my district—which takes in mostly all of the Red River from Winnipeg to the boundary—I have never seen engineers or anybody going around making a survey on the spot. So I wonder if actually it covers that part of it?

There is another thing which I think is most important at this stage. Is the International Joint Commission responsible to advise the people in that area? Here is the situation now. This flood has occurred. Most of these waters come from across the international boundary at Emerson, Manitoba, in an originally narrow neck of land, in a narrow space, and all these waters move up to Winnipeg. I am speaking for the rural part south of Winnipeg. I suppose it was natural for us to look towards the City of Winnipeg for guidance. I suppose it was natural, with a big city like Winnipeg with 350,000 population, that the officials of that city would keep in close touch with the movement of the water, and that we should look to them to guide us.

But apparently they did not feel it was their responsibility, or they did not have the means to ascertain or to judge the flow of the water. Surely there could be and there should be somebody in authority such as competent engineers or a body of experts who could study the flow of water and who could foresee or predict—to use the word “predict”—the amount of water that would run through the district and through the city of Winnipeg.

Since it all has to cross the boundary, but there has been no special guidance from any sources; and what I want to find out is: would that come under the International Joint Commission? I have my doubts about it, but it is a thing which has to be clarified once and for all. Then, if we cannot look to the International Joint Commission to give us warning, we shall have to establish some other body which can give us the warning because surely in this year of 1950 with all our modern instruments, it should be relatively easy for competent engineers to ascertain when the water is flowing north and to prepare for that flow. The reason I raise the question now is that if it is part of the responsibility of the International Joint Commission, the Commission should have its engineers now in the field to make on the spot close studies of the flow of the water.

It may be assumed that all this water flows down the river but it is not so. It does flow to a certain extent until it over-flows the banks; and once it over-flows the banks, it spreads all over and its tributaries start to back up, and there are cross currents, and the water acts quite differently. In some places it rises, while in other places it falls; and then, instead of flowing north, it starts to flow east in some places and in other places it starts to flow west.

I think it should be of primary importance for engineers to be there to make a complete study of the flow of these waters at certain levels so they would be in a position to issue warnings to the people concerned. In other words, they should know what is going to happen so they can prepare for it. I must say that in the very southern part of the province at Emerson, particularly, we are just across the border, and we have received wonderful assistance and

guidance from the American Army Corps of Engineers. They have been very accurate in determining the amount of water which would reach Emerson; but they did not go any further in Canada. Emerson is close to an American town, Pembina. As a matter of fact, right in Emerson, long before the waters ever came, when it was still perfectly dry in Emerson, the engineers came over from St. Paul, and after making a few measurements and what not, and using their instruments, the engineers took chalk and put a chalk mark on the drug store building which is the building right in the centre of the town, three-quarters of the way up the door; and they said to the people: "You get ready. This is where the water will come".

Now, the water actually came within three-quarters of an inch of that chalk mark. These people in Emerson were at least ready for the flood. They moved their belongings and their stock to that level because they knew by experience that the engineers could foresee, and that they were pretty accurate in 1948, and they could depend upon them. Surely we should be in a position to do that for all the communities right up to the Lake, if it is feasible, or at least I think very very strenuous efforts should be made to achieve it. And furthermore two weeks ago there was a rumour about that the water would rise again. The water had gone down quite a bit in Emerson; but there was a rumour that it was going to rise again. So the mayor in Emerson wired the engineers in Fargo and asked them about this rumour. He received a wire back: "Expect another two feet". And I think it is just about there now; it reached its peak yesterday, and I think it will about reach the other two feet. It had gone down  $1\frac{1}{2}$  feet, and some people in certain parts of the town had even cleaned their houses and moved back. But as soon as they got the wire, they immediately moved their furniture back to the second storey. Even the Red Cross headquarters had to be moved to higher ground; but they were prepared for the extra amount of water. It is a great advantage to know ahead when there is a storm coming up.

Today there is a weather bureau which tells us, let us say, that a tornado is moving up to a certain area and everybody prepares for it; and there seems to me to be good reason why we should know, and why there should be some authority provided to tell us. Our floods come from the south and they have to be received up north. This responsibility has to be placed somewhere. So I was wondering, in view of it being international water, if it is not the responsibility of the International Joint Commission? What are they doing about it? That is most important, apart from the other report. Maybe the Under Secretary of State could give us some information. Maybe he could get someone from the Commission to come and give us some information. It is rather urgent, and in that respect, if studies were made now, they might be in a position to forecast the flow in future years. I think it should be done now while the water is flowing: or, if they cannot do it themselves, they should contact the people in their various organizations on the spot to make accurate readings, and later on with all this information, they would really know how the Red behaves.

MR. FRASER: Mr. Chairman, is it within the power of this committee to call a member of the International Joint Commission?

The CHAIRMAN: We shall have to get information.

The WITNESS: I shall be very glad to get in touch with the International Joint Commission, Canadian Section, at once and see what information I can obtain from them as to their relationship to this matter, and in relation to any particular study or studies in connection with the Red river.

So far as the second part of Mr. Jutras' question is concerned, it is my understanding that the International Joint Commission is a body set up by legislation in the two countries concerned for the purpose of making joint studies



of certain problems connected with boundary waters; and that they have not themselves an executive staff to perform the kind of function which Mr. Jutras referred to in the second part of his question.

The International Joint Commission make recommendations as a result of their joint examination of joint problems, and it is upon those recommendations that the governments are able to act. However, I would prefer not to ad lib but rather to see what information I can obtain and have a statement of some kind prepared for the committee at its next meeting.

Mr. JUTRAS: Mr. Chairman, I really did not have it in mind that the International Joint Commission should have personnel or an office set up to advise people. But they possibly might have the responsibility of passing information on to local authorities such as the Drainage Engineer of the Province of Manitoba. Here is the problem: if the Drainage Engineer of the Province only makes a study of the southern part of Manitoba, he will have a lopsided picture, and he can never foretell anything. He must go beyond the boundary. Should there be a special commission established between the two governments for that purpose, or should it be a function performed by the International Joint Commission—and if it is not, well there might be the possibility of getting this new function added to the International Joint Commission.

Mr. McCUSKER: I think this is a problem with which the government of Manitoba is quite concerned at the present time and I think they will probably be advising upon it. However, they are there and they have their engineers and they will know their requirements following this flood, and I would imagine they would deal with this problem there more efficiently than this committee could.

Mr. COLDWELL: Does it not come under the Federal Transport Commission as well, because the Red is a navigable water?

The CHAIRMAN: It comes under item 84, that is, the International Joint Commission.

Mr. JUTRAS: Mr. Chairman, the order of reference of the International Joint Commission is issued by the Department of External Affairs right here. This commission will be guided by the order of reference. If you do not refer the problem to them, they will not study it. There is no problem connected with it as far as that particular angle is concerned. The application, I agree, would be by the province to take the lead; and the province is represented on the International Joint Commission.

The WITNESS: Mr. Chairman, I understand that there is before the International Joint Commission at the present time what is known as the Souris Red River Reference. The only note I have on it is that investigations are progressing and that the fourth Progress Report was to have been presented at a meeting last April at Washington.

*By Mr. Low:*

Q. Of what year?—A. This year. I think I had better refer to the Commission and then I will be able to report to the committee at what stage their investigations are; I shall also attempt to obtain from the Commission the answers to the other portion of the question which Mr. Jutras has asked.

Mr. GRAYDON: I am not familiar with the procedure which normally is followed with regard to a river which is both international in character as well as navigable, such as the Red. But it seems to me that from past experience of over-flowing and flooding on the Red River, something should have been done, surely, before this in connection with it. It seems strange, of course, that our democratic system works so slowly that it raises great anxiety and great impatience on the part of the public; and it seems to me rather ironical that there should be a report for study in Washington while the Red River is over-flowing



Mr. Jutras' riding, and the city of Winnipeg. That is the ironical part in things of this kind. How often we lock the door after the horse has been stolen; but perhaps you cannot use that saying in the case of a river flooding. But nevertheless, I feel that the metaphor is still there.

In the Province of Ontario where we have had some pretty bad floods there has been set up a statute, known as the conservation statute whereby the municipality and the province—and they were hoping that the Dominion would enter into it, but they have not done so up to the present time—whereby a conservation authority was set up by joint arrangement of the municipalities involved and the province for the purpose of flood control and diverting rivers. They are taking care of just this kind of emergency on a smaller scale. The committee will remember, of course, some of the tremendous damage which was done by the Grand River in earlier days. I am not suggesting that some damage still is not done by the Grand River, but today the damage has been reduced to just about the irreducible amount having regard to the circumstances. That was accomplished by modern scientific means. This flood is not something which just happened; I believe the people in the Red River Valley and the International authorities surely must have had in mind that it could happen at any time. But I suppose when the flood has receded and when peoples' thoughts are perhaps off the victims of the flood a little more than they are now—because people are not thinking very clearly; their interest lies entirely in the poor people who have suffered such damage, inconvenience, and discomfort in this flood; I suppose the people have not had a chance to think it out at all—but when it is over, there will be some recrimination against those who were responsible for it, because it is not as though warnings and cautions have not been given.

Here it is a question of whether it is the International Joint Commission which has the responsibility for looking into these matters. Certainly warnings have not been heeded and this great damage has come. Surely with our engineering and scientific facilities now, something should have been done to save this part of Canada from such an appalling catastrophe.

Mr. COLDWELL: These waters mainly originate on the United States side of the line. I noticed on Sunday night when President Truman was speaking that he said he had visited the Fort Peck dam in Montana on the Missouri. The country there is more rolling than the Red River country; so in order to control the floods they created a lake having a shoreline of some 1,600 miles.

President Truman referred to the Fort Peck dam and the Missouri flood control and he referred to the floods in other parts of the country, without naming the Red River, where something similar might be done. It seems to me the big difficulty is that there are no valleys, no places that you can dam as you can in Montana, although it is fairly flat where the Fort Peck dam is. I went down to see the Fort Peck dam several years ago.

It seems to me that it is an international problem and that the two governments, Canada and the United States, will have to take steps to meet this situation. I do not know to what extent we alone are involved in Canada. There is some suggestion, of course, that if the watercourse from Emerson north to the river were cleared in some way or deepened and the mouth opened, there might be some helpful effect. I am doubtful about it because, if my information is correct, the drop from Winnipeg to Lake Winnipeg is only about 74 feet to 75 feet, which means there is practically no flow. It seems to me that it is largely an international problem.

Mr. JUTRAS: Our friends to the south have been doing everything they could to be helpful to us. They now have \$17 million to spend on the Red River and they have spent about \$2 million. But even their best experts say that after all this money has been spent it will have no effect really on a major flood of this kind, and that there does not seem to be any way of preventing

such a flood. However, there is the possibility of checking minor floods such as that of 1948, and there might be a possibility of checking this one down a few feet. That would be a good thing, because, as every member knows, it is the last few feet which do most of the damage to property. But there does not seem to be an absolute solution to the problem.

I am not an engineer, but it seems to me something could be done. Also in Canada there is water coming down from the Pembina hills which, if it were held back, would relieve the situation to a certain extent, but to what extent I do not know. That would have to be ascertained by engineers. But as far as damming the river is concerned, there is not much chance of damming it at the moment. If it were dammed, it would only spread all over the country. If the United States put in a dam at Emerson it would probably check the water, but the whole countryside in the States would be flooded.

Mr. GRAYDON: I think that this is a proper subject for an International Red River authority such as we have within the Province of Ontario in a smaller way. I would hate to think that science with all its modern devices could not find some way at least of alleviating conditions there; and I think it is too bad that it has not been done before this.

If the International Joint Commission is to show its usefulness, I think it ought to have, before now taken in hand a situation as important as this, and one which has now caused so very much damage. Because, after all, these organizations are not set up just for the sake of formality but rather to do a job. And it seems to me we should not have to wait until after millions and millions of dollars of damage has been caused to people in this country. We should not have to wait until that kind of damage is done, and until the signal is given to the International Joint Commission to go ahead with the problem. That is what annoys me most about it, and I do not mind saying so. I think these are kinds of things we should not have put before us.

The CHAIRMAN: There was mention made by a member of the committee that we should have an engineer of the International Joint Commission appear before us. I believe we could have that done, if we wished.

Mr. FRASER: You would have to have a member of the Commission.

The CHAIRMAN: A member of the Commission?

Mr. JUTRAS: I was just suggesting somebody in the department. I was trying to make it easier for Mr. Heeney by suggesting that we might have somebody from the department who is fully conversant with the problem, and that it might save Mr. Heeney a lot of trouble.

The WITNESS: We shall have to refer to the Commission itself. The Commission itself operates its own affairs, and its relationship to the department is the normal constitutional relationship where the Commission reports through the department, and the spokesman for the Commission in parliament is the Secretary of State for External Affairs. The Commission does its own executive work. The legal division of the department does assist the Commission in the formalities connected with references, and the department is the normal mailbox through which applications for references are made. I am not trying to avoid responsibility in any sense, but the committee will recognize that it is a body set up for technical studies with which the department itself has no intimate concern.

Mr. GRAYDON: It would be beyond any question of doubt that we have the right to call anybody we want from the International Joint Commission, because before we vote this money in parliament we have the right to know what the commission is doing for the money it is getting; and I should think there would be no question about our right to call anybody who happens to be a Canadian. We cannot call anybody who is the representative of another government, but

certainly we could call any Canadian representatives there are. It seems to me, in view of the great and keen interest in the Red river situation at the moment, that we should call such a representative right away.

Mr. CROLL: I support what Mr. Graydon has to say but what is concerning me at the moment—and I do not know the country as Mr. Jutras and Mr. Coldwell know it—but there was a small flood in 1948. Now, in the light of that, I would like to know what the commission has done since 1948?

Mr. GRAYDON: It has been flooding since 1826.

Mr. CROLL: I am concerned with the matter now.

It seems to me that we ought to have someone from the commission appear and put us in the picture completely. This is the appropriate department to deal with the matter and I think it should be left to the under secretary to bring before the committee the appropriate officials.

Mr. BATER: May I ask Mr. Jutras whether or not there has been any increase in lumbering operations at the source of the Red river.

Mr. JUTRAS: I would not be in a position to say that. At the source?

Mr. FRASER: Yes. It goes 200 miles inside the United States.

Mr. McCUSKER: It is not a forest country.

Mr. JUTRAS: There may have been brush removed, and what was prairie may now have been broken.

Mr. COLDWELL: The country is as flat as this table.

Mr. FRASER: Yes, but you say that the brush and scrub might have been taken out in the last few years.

Mr. JUTRAS: I do not know.

Mr. McCUSKER: It is not a matter of dams or water storage, it is a matter of channels to carry the water off and protecting the towns along the way.

Mr. BATER: What is the length of the Red river in the United States?

Mr. GRAYDON: Had we not better get some real experts? I know we have some very good ones here but perhaps we had better get some others.

The CHAIRMAN: I understand the mood of the committee is that we will request the Department of External Affairs to bring one of the high Canadian officials of the International Joint Commission. Is that agreed?

Agreed.

Shall item 64 carry?

Mr. FRASER: No, no.

The WITNESS: Before the committee begins the detailed examination of the votes perhaps I should have passed around the document about which Mr. Fleming asked a few minutes ago—the breakdown of expenditures.

This analysis is in the same form as that presented to the committee last year but I have this one caveat, however. Column No. 2 is called “estimated expenditures for the twelve month period”, for the reason that that total figures of expenditures for the twelfth month have not come to hand yet from some of the missions. Therefore the word “estimated” has to be used. For practical purposes, however, I think the committee will find the second column as it now stands comparable to the second column in last year’s analysis.

The CHAIRMAN: Are there any questions on the statement?

Mr. FRASER: Yes, Mr. Chairman. Under travel and removal, are the minister’s travel expenses included? I mean his trips out of the country?

Mr. CROLL: What is that?

Mr. FRASER: Under administration, on page 4 of the breakdown.

The WITNESS: Your question is directed to page 113, travel and removal.



*By Mr. Fraser:*

Q. Yes, and to page 4 of the sheet you have handed us?—A. The travel and removal item on page 113 would not include ministerial travelling expenses. If I may go on to the item travel, under "Representation abroad" which appears in the detail on page 114, travelling expenses there would include travelling expenses of the minister when he attends international gatherings or when in his capacity of Secretary of State for External Affairs he goes to international meetings of any kind.

Q. That is the \$80,200?—A. We are asking for \$80,200 this year.

Q. Last year the figure was \$135,000. Have you a breakdown of that?—A. We have the estimated expenditure in a document you have just been handed.

Q. The only one I can see is on page 4.—A. We have not got the actual expenditure on travelling expense under "Representation abroad" yet. We will give you what expenditure we have under that item. Expenditure under departmental administration is on page 4 of the analysis.

Q. Yes, I have that here.

Mr. CROLL: Vote 64 with which we are dealing now, departmental administration, shows an increase of \$90,000. That is the sort of increase which would appear to be with us from now on—perhaps it will be an increase from now on—as against these decreases we have had which have come to us rather by chance. In the main to what is that particular increase due?

The WITNESS: I would say immediately that the larger part of that would be normal statutory salary increases—but I would like to check that. If the committee will look at page 4 of the analysis it will be observed that the expenditure there was in excess of the printed estimates last year—the figure being \$504,000 estimated expenditure for that fiscal period as opposed to \$421,000 in the estimates. That illustrates the process which I said is going on regularly as the service matures. Statutory increases under the civil service regulations accrue on certification of efficiency and good conduct; the tendency, as time goes on, is for the salary vote of necessity to be increased.

*By Mr. Graydon:*

Q. May I ask the deputy minister how this postage figure is arrived at. I understand that departments, according to the post office, do not have to pay any postage?—A. The largest part of that has to do with the courier service and the bag service abroad.

Q. Your courier service is set out.—A. Not courier service; this is for the carrying of the diplomatic bags to our various missions—that is just part of that vote.

Q. Why would that be called postage?—A. It should perhaps more appropriately be called carriage. It does not mean stamps.

Q. You have here freight, express, and cartage—on page 4?—A. Yes, \$8,000.

Q. That is a relatively smaller sum as compared with that of postage.—A. That is the moving of furniture and that sort of thing.

Mr. BATER: What is there in "travel and removal expenses"—the item under postage?

The WITNESS: That is the moving of an officer and his family and goods and chattels from one point to another or from a post abroad to headquarters. "Freight, express and cartage" is the moving of furniture and baggage and that sort of thing from one place to another. Carriage of diplomatic mail would be a more accurate description than "postage." This does not mean postage in the sense that it is \$200,000 worth of stamps.

Mr. GRAYDON: Is it just mail that goes in those diplomatic bags?



The WITNESS: Despatches, memoranda, and papers of that kind.

Mr. STICK: It seems to me that a cost of \$250,000 is rather high just for shutting people around. That is a quarter of a million dollars?

The WITNESS: Last year we estimated a figure of \$250,000 and expenditure was \$207,000. We are estimating this year for \$245,000. It is an expensive business.

*By Mr. Fraser:*

Q. When one of your people is moved from one country to another, taking his chattels with him, do you have to refurnish the place so that it will be ready for someone else to step into? What do you do in those cases?—A. The situation differs. For the head of a mission we provide furnished premises. For other officials and members of the staff we do not provide furnished premises. Those people are required to bring furniture with them or to acquire furniture at the new post.

Q. Is there a set allowance in the case of these movements? What would be the cost of a move from say France to Australia?—A. We provide the actual cost up to a stated ceiling.

Q. This is what I am getting at. Is there a ceiling on it, or is it so much a mile?

Mr. HEMSLEY: It varies according to the grade of officer and the cubic content of the chattels—up to a certain specified maximum.

Mr. FRASER: You allow them to take so many tons?

Mr. HEMSLEY: So many cubic feet or pounds.

*By Mr. Graydon:*

Q. May I revert back to postage. I am not very clear about how this procedure is carried out. I take it from what the deputy minister says that this amount of \$200,000 in the main estimate for postage in 1950-51 all goes to the post office? Does that all go to the post office; how are the accounts made out; and how are they paid?—A. I will answer that in general and I will ask Mr. Hemsley to answer in greater detail. Much of this is carriage by air bag. Our diplomatic mail goes by air bag and by sea bag and on the ground. By far the most expensive means of transportation is the air bag but it is necessary, as the committee will understand, to send much of our material more rapidly than normal sea or ground transport will allow.

We have recently tried to cut down telegrams. That is also a very costly part of our operations, and we have encouraged heads of missions abroad and we have directed officers in the department to use the air bag in so far as they possibly can instead of cable.

Mr. Low: That is sort of an air express?

The WITNESS: T.C.A. carries it across the Atlantic.

Mr. HEMSLEY: T.C.A. carries it across the Atlantic and their charge for so doing is now \$5.32 a pound.

Mr. GRAYDON: \$5.32 a pound?

Mr. HEMSLEY: Yes. To give you other figures, the rate to Tokyo is \$10.94 a pound; to Canberra—and the British move it from London—the total cost is \$18.95 a pound; to Pretoria the cost is \$12.54 a pound; to New Delhi the cost is \$11.18 a pound. That is roughly the way in which the poundage is calculated.

Mr. MACNAUGHTON: Is that a substantially lower rate— is it less than average?

Mr. HEMSLEY: It is less than the letter rate, yes.

Mr. GRAYDON: Do you get an account from the Post Office Department each month?

Mr. HEMSLEY: We get our account from T.C.A.

Mr. GRAYDON: You do not pay the post office. I understood this was postage, but this is not paid to the post office at all?

Mr. HEMSLEY: No, I would suggest that the carriage of mail would be a better word.

The CHAIRMAN: Mr. Heeney said it was the carriage of diplomatic mail.

*By Mr. Graydon:*

Q. May I ask Mr. Hemsley this one thing. At the rate of \$11 a pound I suppose there is a very careful scrutiny of what is included in those bags from time to time? You would not want to be sending too many Canada Year Books in the bag to New Delhi?—A. Mr. Heeney, that is a matter to which we give very careful scrutiny. As Mr. Graydon has said the rate is very high and this is an expensive item. The committee may be quite sure that we watch this most carefully. Things like the Canada Year Book are not carried in the air bag.

Q. Do you use a lighter type of envelope and stationery for your air mail?—A. Yes, sir.

Q. That cuts down your expense considerably?—A. Yes, it does materially, over the long run. We use the normal type of air mail paper.

Mr. Low: How about the bags themselves—are they modelled specially for the job?

The WITNESS: They are the normal air diplomatic bag which is in common use for this same purpose.

Mr. HEMSLEY: Of special design.

Mr. RICHARD: It is not unusual for a department to include postage in its estimates?

The WITNESS: That is perhaps misleading.

Mr. GRAYDON: I am just an innocent inquirer. I would like to know, when the post office complains that other departments get service from it for nothing, why it is that the departments charge these amounts? It is a simple matter of answering. I am not seeking to confess the situation but it does seem to me that one or the other of them ought to revise their statements.

Mr. Low: If this were called express and carrying charges it would be a different matter?

The WITNESS: I would suggest that the carriage of diplomatic mail would be more precise.

Mr. GRAYDON: That item then would cover everything that is under this figure of \$200,000?

The WITNESS: Yes, sir.

Mr. GRAYDON: That satisfies me but you can understand why I might direct the question when it says "postage", and I do not think that is a proper term.

Mr. BATER: There is an item temporary assistance, \$814,000. Do I understand that you have a lot of employees in the department who are not on the permanent staff?

The WITNESS: Yes, sir. I do not know the latest percentage of those who are permanent, but we can get that figure for the committee in a moment. It will be observed by the committee that the proportion of permanencies to temporaries is

tending to change as more permanencies are granted and as temporary employees qualify under the civil service regulations for permanency. Well over 50 per cent of the employees of the department at the present time are temporary.

*By Mr. Noseworthy:*

Q. Did you say 50 per cent?—A. I will get the actual figure in a moment.

Q. You will notice that the estimate for temporaries is higher than the estimate for permanencies?—A. Yes, sir, we have more temporary employees than permanent employees.

Q. Why is it that the full details are given for permanent employees but no breakdown of the details is given with respect to temporary assistance—an amount more than that required for the permanent employees?—A. I do not know that I can answer that except by an inadequate answer to the effect that it has always been done in the estimates for all departments. I suppose the idea was originally that they were temporary in a more literal sense than they are now. I can obtain full details for the committee, if it is desired.

Q. Here is a lump sum of \$800,000 without a single item of detail?

Mr. COLDWELL: What periods of time do these temporaries serve—what is the longest period? Would it be five years, or ten years, or six months?

Mr. MORAN: There are qualifications which a person must have before he is eligible for permanency and then each department has a quota set within which permanent appointments may be made. The quota for our department, for example, is 85 per cent. Our figures show that we are moving towards that and making some progress.

Mr. COLDWELL: There are a number of temporaries who might become permanent—

The WITNESS: I may say a word to permanency. It is the administrative policy of the department to move into the class of permanent employees all of those who have qualified, and to encourage all employees to qualify for permanency, as rapidly as they can do so. We are still a long way from the full quota which is set but we can only move as quickly as the Civil Service Commission and the Treasury Board allow us, and as our employees meet the qualifications set down. The committee may be interested in being reminded of the qualifications which govern this matter for all departments of government. An employee, in order to qualify for permanency, must have given continuous satisfactory service for at least one year; have passed the necessary qualifying competitions and examination; and his name must have been included amongst those on the eligible list which is kept by the Civil Service Commission and which is set up in order of merit.

*By Mr. Coldwell:*

Q. I was going to ask, Mr. Heeney, how many persons there are who have been in one year, taken the examination, the necessary qualifications, and who are not yet on the permanent list?—A. I would have to obtain that information.

Q. In all departments there are a number of people that have been employed for a long time, according to my observation, who have taken the examination, qualified, but seem to remain on the temporary list almost indefinitely. I cannot understand that.

Mr. MORAN: I would say that a comparison of last year's figure with this year's figure would indicate that we are pushing ahead with permanencies in our department. As the under secretary has pointed out, there is a situation common to all departments that prevents a person who is qualified in most respects from becoming permanent—that is the lack of overseas preference.



Mr. RICHARD: Those who are appointed and have qualified since 1939 but who have had no overseas service cannot be made permanent until the government changes its policy.

Mr. MORAN: We are categorizing our people and one of the categories contains those who have qualified but have no veterans preference. Until the present regulations are amended it will be impossible to make them permanent.

Mr. NOSEWORTHY: Could we have the number of permanent employees who left the department last year—retired or left for other reasons; the number promoted from temporary to permanent—

Mr. MORAN: The total number of those permanent is 397; temporary 108.

Mr. NOSEWORTHY: How is it then that the estimates for temporary assistance are greater than those for permanencies?

Mr. MORAN: I have not finished with the figures. Permanent appointments, 397; those remaining temporary, 447; and the number whose names and recommendations have gone forward for permanent appointment, 108.

Mr. NOSEWORTHY: Those latter ones are still temporary?

Mr. MORAN: They are now in the mill, moving towards permanency. We have put them in a special group.

Mr. COLDWELL: Supposing that a fully qualified young man entered the service in 1947 from one of our universities, having been too young to serve in the forces, would he be debarred from going on the permanent list?

Mr. MORAN: Yes, at the present time.

Mr. COLDWELL: He could not qualify as a veteran in any event, and his qualifications are necessary to the department, yet he is debarred from becoming a permanent appointee?

Mr. MORAN: The Civil Service Commission should more properly speak on this but I understand, for the very reason you have given, that the present regulations are in the process of amendment. We have now passed the period when the veterans preference is a predominant factor.

Mr. JUTRAS: Is it not the fact that in cases where there is an examination and there are no veterans who qualify, and if a non-veteran gets the job there is nothing to prevent him from getting his permanency because the examination has taken place and there were no veterans who qualified?

The WITNESS: That is correct. It is only where there is a qualified veteran that there is in fact a preference. If the eligible list consists altogether of non-veterans, as I understand the question, then there is nothing to prevent permanent appointment being made.

Mr. JUTRAS: In actual fact I do not think you will find any case where you cannot make a man permanent except where a veteran has not had an opportunity to write an examination. I do not think there would be any of those cases left at this stage. The situation existed for a year or so after the war in relation to men taken on during the war who could not be made permanent because veterans had not yet had an opportunity to compete for the job. That situation was eliminated during the first and second year when just about all examinations were carried out. If a veteran came up and qualified then those men taken on during the war had to leave or to make way for the veteran. That was the purpose of the Act. However, if a man writes an examination and no veteran qualifies, the civilian gets the job.

Mr. COLDWELL: And can be made permanent.

Mr. JUTRAS: Yes, there is nothing to prevent him being made permanent. The veterans preference has been taken care of because the examination has been written and no veterans have qualified.



The WITNESS: There is not, in effect, a preference in the case to which Mr. Jutras refers.

The CHAIRMAN: Does a person who has qualified and met certain conditions but has to remain temporary lose any salary?

The WITNESS: No, he is being paid.

Mr. COLDWELL: What about superannuation?

The WITNESS: Superannuation does not apply at all.

Mr. NOSEWORTHY: Can you give me the answers to my other question of how many have left permanent service during the past year and how many have been promoted from the temporary classification?

Mr. MORAN: No. We can get that figure; we do not have the figure available here.

The WITNESS: We certainly can obtain the figure. Do you want the number in the permanent category who have left the department?

Mr. NOSEWORTHY: And the number promoted from the temporary category during the year.

The CHAIRMAN: Mr. Leger has the floor.

*By Mr. Leger:*

Q. Mr. Chairman, could Mr. Heeney tell us if the Veteran's Preference applies?—A. In regard to promotions?

Mr. MORAN: No, it does not in regard to promotions.

Mr. LEGER: Has he a preference?

Mr. MORAN: No. Promotions are made upon merit. I think there has been some slight confusion here. There is a difference between appointment to the Civil Service and permanency in a position. The writing of examinations in competitions, has to do with people obtaining appointment to the Civil Service but permanent appointment after entering the Civil Service might not come for some three or four years.

*By Mr. Jutras:*

Q. The question of permanency is not, so to speak, controlled by the Veteran's Preference. It does not affect it to that extent?—A. Where there is no qualified overseas man.

Q. That is for appointment, and it follows automatically if he is appointed? And if he is a civilian,—the way I understand it—this question really belongs to the Civil Service and not to the Department of External Affairs. But there is an examination and if the veteran qualifies, then he gets the job. If a civilian gets the job, because there is no veteran who has qualified, he is appointed and in due course he gets his permanency and the Civil Service has nothing to do with it. The Veteran's Preference does not affect a permanent appointment in that case.

Mr. McCUSKER: Are these figures for the 952 assistants all together? Some are permanent, some temporary, and some on move; that covers the entire service not just those employed at Ottawa?

Mr. MORAN: That covers the entire service of Canadians. But in addition there are locally engaged personnel.

*By Mr. Leger:*

Q. You are sure there is no more preference after he has the appointment? —A. It does not affect promotion but only permanency.

*By Mr. Coldwell:*

Q. All the locally appointed people are temporary?—A. Surely.

Q. And they are not entitled to pension?—A. No.

*By Mr. Fraser:*

Q. Under the heading of Publicity and Information, is it not correct that some few years ago after the war this department was supposed to be the information and publicity bureau for the whole set-up of the government?—A. Abroad, yes.

Q. Abroad?—A. The information work which is done under the auspices of the Department's Information Division abroad does not relate exclusively to the Department of External Affairs.

Q. It covers what?—A. It covers the government—I do not mean that other departments do not undertake information activities abroad. The Department of Trade and Commerce does do some work, and that is, as I think the Minister said at one of the earlier meetings of the committee, co-ordinated with our Information Division's work abroad. But generally speaking the answer to that question is: yes; information work done by our department abroad is general work for the government of Canada.

Q. Have you got a list of the different publications which your department puts out?—A. Yes, sir.

Q. Could you tell me where they are sent to and what they are used for?—A. Appendix F of the Annual Report of the Department for the year 1949 sets out the publications of the Department of External Affairs. There is in the first place the monthly bulletin, "External Affairs". Secondly, there is the Annual Report itself. There is, thirdly, the volume entitled "Canada, from Sea to Sea", which is the illustrated booklet to which the minister made reference. Then there is what is known as the "Conference Series".

Q. Where does it go?—A. These are reports which deal with the proceedings of certain international conferences in which Canada participates. Then there is the "Canada Treaty Series", which give the text of international agreements concluded by Canada; and there is the volume entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada". There is "Diplomatic and Consular Representatives in Ottawa", and there is in addition certain mimeographed reference material of which some distribution is made abroad. Then there is the "Canadian Weekly Bulletin".

Q. That is the one which I have here.—A. It reprints certain articles and certain statements. I have a more complete list. As I understand it, what Mr. Fraser would like is the publications. By that you do not mean only the printed material?

Q. I mean what you are sending out to your different embassies and also to people in Canada. What I am referring to is Statements and Speeches, a mimeographed 8 page affair. These come in quite often. This is one here. It is dated April 24. There is another one here dated April 29. They are speeches by the minister.

Mr. LEGER: And they are very good.

*By Mr. Fraser:*

Q. They are very good, but I wondered if that sort of thing is not covered by the newspapers in this country?—A. That is produced primarily of course for use abroad, as all this material is. I think that in addition to any distribution abroad, people who ask to have their names on a list, such as the members of the Houses of Parliament, are sent copies.

*By Mr. Macnaughton:*

Q. If they request it?—A. I am not quite sure in the case of Members of Parliament whether they get them automatically or on request.

Q. Mr. Fraser does not have to receive those speeches if he does not want them, does he?

*By Mr. Fraser:*

Q. No, I do not have to receive them; but I am trying to find out if it is necessary that these should go out. I want to find out if this is money well spent or poorly spent. That is what we are here for. And I wondered where this Weekly Bulletin went to.—A. That is primarily designed for the use of our missions abroad, as is the Daily Bulletin Canadian News.

Q. And on top of that you have a monthly?—A. No, sir. We have a Daily Air Mail Bulletin and a Canadian Weekly Bulletin, but there is no monthly news sheet.

Q. That is weekly?—A. Yes, sir; it is primarily designed for the use of our own missions abroad and for their information, as well as for the use of anybody anywhere who asks for it and who seems to have the right to have it.

Q. And the cost of it is included in your publicity and information?—A. That is right.

Q. Would it also be included in your printing and stationery?—A. No. It is included in the former.

*By Mr. Noseworthy:*

Q. Is there a wide circulation of the minister's printed speeches in Canada?—A. I cannot answer offhand.

Q. I think the speeches of the minister should be distributed to Members of Parliament so that we may keep track of what the policy of the government is.

Mr. FRASER: Here is one which was given to the Chamber of Commerce in Hamilton. Here is another one made to the Montreal Reform Club.

Mr. MACNAUGHTON: Mr. Chairman, I think it is only fair to say that those speeches are not political speeches per se. They are statements of policy and they serve a very useful purpose, for example, in the total cold war that we are supposed to be fighting at the moment, in explaining what the attitude of the government is. I do not think anyone would charge that any of those speeches—particularly the one delivered before the Reform Club, where I was present—was a political speech. Of course, they may be said to be political in the sense that they defend democratic principles which I am sure all of us would certainly approve.

Mr. NOSEWORTHY: Mr. Chairman, who are we questioning? Officers of the department or members of the committee?

Mr. MACNAUGHTON: It is only fair to state that those speeches are not political speeches.

The CHAIRMAN: Order! I do not want to curtail discussion, and I think so far we have done fairly well.

Mr. FRASER: I brought the matter up and I would like to know whether it is wasting money or whether it is politics. As for the speech which was delivered to the Reform Club, someone might say it is not politics.

Mr. MACNAUGHTON: Have you read it, Mr. Fraser?

Mr. FRASER: Oh, yes.

The CHAIRMAN: Personally, I always agree with Mr. Graydon and the official opposition when they want more and more information.



Mr. FRASER: I quite appreciate that, Mr. Chairman, and you have been very co-operative. I was asking for some information and somebody tried to stop me.

The WITNESS: I do not think I have got precisely the question Mr. Fraser asked. He asked me to how many people the speeches of the minister go. This selection so far as the department is concerned attempts to be a selection of statements and speeches and it is not by any means confined to the minister's speeches. It includes many others which are related to the development of Canadian policy and to international affairs.

*By Mr. Fraser:*

Q. I have one from the Prime Minister, one of his speeches.—A. I know. There are some by the Prime Minister.

Q. I have brought it to the attention of the committee and I think it should have been brought to the attention of the committee.

The CHAIRMAN: I would like to have the speeches of Mr. Low, Mr. Coldwell and Mr. Drew as leaders of their parties, printed by the government and distributed as widely as possible. I think it would be a good thing to do.

Mr. COLDWELL: Provided they were non-political. Of course, all my speeches are non-political?

*By Mr. Bater:*

Q. Do I understand that we can get these speeches by signing a requisition? I have never received one.—A. A request has to be made, actually for you to be put on the mailing list for this particular series of "Statements and Speeches." That is true generally speaking for all information matter in Canada. It is only sent when there is a request. But as to this series it is an attempt to select speeches of significance on international affairs. That is the purpose of the exercise.

Mr. FRASER: I feel that each member of the committee should receive those publications so that the members will know what is going out.

Mr. GAUTHIER (*Portneuf*): If they so wish.

Mr. FRASER: Yes, if they so wish. But I feel they should know what the department is doing. They are on this committee and that is why I want to have these publications. I want to know what they are doing in External Affairs. I do not want to sit on this committee like a drone. I want to be active.

The WITNESS: The reason I hesitated when Mr. Fraser asked me about the general distribution was that I was not sure whether, in fact, that was done, and whether all the members of the External Affairs committee are on the list for all the publications of the department. I find that that is not true. After last year's meeting of the committee the members of the committee were put on the circulation list for some specific publications. But if it is the wish of the committee, we will be delighted to send all our material to each individual member.

*By Mr. Fraser:*

Q. In regard to the Canadian Weekly Bulletin, it was suggested that it would be better to receive it than the Daily Bulletin.—A. Yes, I think it would be.

Q. So I get the Canadian Weekly Bulletin and I like to have it for the references; and the other one I got is the Statement and Speeches from the Information Division of the Department of External Affairs. That list has been given.—A. In addition to the printed publications to which I referred at the



beginning of my first answer to Mr. Fraser's question, I could perhaps recapitulate the list of publications, some of which I mentioned and some I did not.

There is a Daily Airmail Bulletin which goes to our missions abroad for the purpose of informing them as to what is going on in Canada. There is the Canadian Weekly Bulletin to which reference has been made. There is the External Affairs Monthly Bulletin to which I referred, a printed publication. I think that goes to all the members of the committee; and there is the Annual Report of the Department. Those are the regular publications.

The occasional publications consist of the series of "Statements and Speeches" to which Mr. Fraser referred; the series known as "Reference Papers"; certain feature articles. These are for use abroad. There are certain reprints from Canadian magazines and newspapers; there is a series known as "Fact Sheets"; there is "Canada from Sea to Sea", a booklet which has been referred to. And that is the lot.

Mr. MACNAUGHTON: In fairness to your department, it seems to me that when I came here as a new member I got a letter from someone in your department setting out these publications and asking whether or not I would care to receive them, and if so, would I indicate it. I am sure that letter went to other members.

Mr. STICK: That is correct. It came to me.

The CHAIRMAN: Do we need a motion for the distribution of papers?

*By Mr. Fraser:*

Q. I believe I asked a question before, but I wondered if you had increased the number of trucks here in Ottawa—A. We have two trucks.

Q. You had three before, but you now have two?—A. It is down to two.

Q. What motor vehicles have you got here? I believe mention was made about replacement of motor vehicles?—A. At headquarters?

Q. Here in Ottawa, altogether?—A. Two altogether.

Q. How do you go about buying these abroad? Do you buy them abroad, or are they shipped from here?—A. For the most part they are shipped from Canada. We have bought three British made cars.

*By Mr. Noseworthy:*

Q. Before this item is passed—and we may have the answer at our next meeting—I notice there are a number of items under the item of "Administration", where the item is to increase from ten to twenty; from sixteen to twenty-four; from seven to twenty-two; from twenty-nine to forty-three; from eighteen to fifty-three. I think the officials should give us some explanation as to why additional payments were made, and the need in the department for them? I mean a little more explanation?—A. Are you reading from the "Analysis"?

Q. I am reading from the details on page 112?—A. You are thinking of salaries in particular?

Q. Yes?—A. Beginning at the top of "Department Administration"?—

Q. It is ten to twenty-two?—A. Ten to twenty-two. The explanation of that is: there is provision in that twenty-two for an additional officer of the rank of Deputy Under-Secretary.

Q. This means that the man who, last year, was at ten has moved up to twelve?—A. No. He has not been changed at all. The Deputy Under Secretary who is now in office received a salary of \$10,000, the same as he had last year. There is a vacant position at \$12,000, but there is no immediate intention to fill it. It was thought when the estimates were prepared that it might be advisable. But so far as the department is concerned, there is no intention of using that additional \$12,000. The next item, sixteen to twenty-four, is for Assistant Under

Secretaries. There are now three Assistant Under Secretaries instead of two. The next item is an increase in the number of Foreign Service Officers, Grade 7, to three instead of one.

Q. But that item does not mean that you would be employing three secretaries or officers where last year you had one?—A. No. It means two people of the lower rank, have been promoted; and you will see there is a reduction in the number of Foreign Service Officers, Grade 6. This is the promotion process to which I made reference earlier.

Q. Fine. And twenty-nine to forty-three?—A. These are promotions again, seven instead of five Foreign Service Officers, Grade 5.

Q. Where from?—A. From within the ranks of the service.

Q. Would the appointments be temporary?—A. There might be one or two in there. I do not think so. There might be; I could not say off hand. But it is the normal process of promotion. Whether it is accompanied by permanency I could not say, I could easily find out.

Q. Is there any corresponding reduction anywhere?—A. There is. When you look at the final figures you will see there is some increase in the total number, where people are fitted in at the bottom; but the increase is not very marked in these last figures. It does not correspond to the comparatively large increase made in other fiscal years because the service is flattening out in numbers. But this is the gradual process of promotion, as people mature and increase their competence.

Q. There is one item from \$18,000 to \$53,000, "Office Appliance Operators"?—A. Oh, yes. That is on page 112. That is stenographers, Grade 3. Instead of having nine, we have 24. That means that these girls have increased their competence and in our judgment are worth a higher rank than they were before. It also reflects a move from temporary to permanent.

Q. Does it mean that you have stepped up the force from nine to twenty-four?—A. No. It means that we have promoted and also moved from temporary category to permanent category. But it does not mean that we have more heads.

Q. In other words, most of those additional appointments are people who have been moved from temporary into permanent?—A. It would be in the stenographer class, certainly.

The CHAIRMAN: The bell has just rung. May we adjourn now? Thank you, Mr. Heeney, and the officers and you gentlemen, for your assistance.

The committee adjourned.













*Standing Committee on* 1950

(SESSION 1950

HOUSE OF COMMONS

Government  
Publications

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, MAY 18, 1950

Main Estimates of the Department of External Affairs  
1950-51

Items 64, 65, 66, 67, 68

WITNESS

Mr. A. D. P. Heeney, Under-Secretary of State for External Affairs

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY

1950



STANDING COMMITTEE  
on  
EXTERNAL AFFAIRS

Chairman: J. A. Bradette, Esq.,

Vice-Chairman: Gordon Graydon, Esq.,

Messrs.

Balcer	Fleming	Low
Bater	Fournier ( <i>Maisonneuve- Rosemont</i> )	Macnaughton
Beaudoin	Fraser	McCusker
Benidickson	Gauthier ( <i>Lake St. John</i> )	Mutch
Breithaupt	Gauthier ( <i>Portneuf</i> )	Noseworthy
Campney	Goode	Pearson
Coldwell	Green	Picard
Cote ( <i>Matapedia-Matane</i> )	Hansell	Pinard
Croll	Jutras	Richard ( <i>Ottawa East</i> )
Decore	Leger	Robinson
Dickey		Stick
Diefenbaker		

Clerk: ANTONIO PLOUFFE

**CORRIGENDUM**

No. 3—Minutes of proceedings and evidence

All references to vote 578 should read vote 64.

## MINUTES OF PROCEEDINGS

THURSDAY, May 18, 1950.

The Standing Committee on External Affairs met at 8 o'clock in the evening. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Bater, Benidickson, Bradette, Campney, Coldwell, Croll, Dickey, Fraser, Gauthier (*Portneuf*), Goode, Graydon, Hansell, Léger, Low, McCusker, Mutch, Noseworthy, Richard (*Ottawa East*), Robinson, Stick, (20).

*In attendance:* Messrs. Heeney, Moran, Hemsley and Tovell; also Mr. E. W. George, M.P.

The Chairman announced that he would be absent during the week of May 22nd and the two meetings will be presided over by the Vice-Chairman, Mr. Graydon.

As previously agreed, Messrs. Eudes and Jutras will address the Committee at the second meeting.

### Item 64—Departmental Administration

Mr. Heeney was called and supplied answers to questions asked at earlier meetings on

1. Personnel;
2. Departmental methods of controlling expenditures;
3. Transfer of votes.

He gave a breakdown of estimates for telephones, telegrams, teletypes and sundries, and undertook to supply additional information on sundries, together with a statement on the preparation of departmental estimates.

As requested, a breakdown of estimates for temporary assistance was tabled and ordered printed. (*See Appendix to this day's minutes of proceedings.*)

After examination, Items 64, 65, 66, 67 and 68 were carried.

The Vice-Chairman expressed his appreciation of the courtesy and diligence of the staff of the Passport Office. Mr. Heeney thanked the members of the Committee.

The witness read into the record a note respecting career and non-career diplomats and stated that the total of personnel at home and abroad was 1,200.

Mr. Richard questioned the witness on the existing procedure for the application of patents in the United States which requires the certification of Canadian oaths by United States Consuls.

The witness disclosed the facts in relation to the dismissal of a locally engaged clerk at the Canadian Embassy in France who was found guilty of embezzlement.

Mr. Heeney was again assisted by Messrs. Moran and Hemsley. He undertook to furnish supplementary answers not readily available.

At 10.10 the Committee adjourned until Monday, May 22 at 8 o'clock in the evening to again examine the Under-Secretary of State for External Affairs.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## Appendix A

## DEPARTMENT OF EXTERNAL AFFAIRS

## DEPARTMENT ADMINISTRATION — TEMPORARY STAFF

Number			Amount	
1950-51	1949-50		1950-51	1949-50
			\$	\$
1		Foreign Service Officer, Grade 7.....	7,800	
1	1	Foreign Service Officer, Grade 6.....	7,200	7,200
	2	Foreign Service Officers, Grade 5.....		10,800
	1	Consular Officer, Grade 5.....		6,000
1	1	Information Officer, Grade 7.....	5,595	5,160
1	4	Foreign Service Officer, Grade 4.....	5,100	19,665
	2	Consular Officers, Grade 4.....		9,180
	2	Foreign Service Officers, Grade 3.....		8,025
	2	Consular Officers, Grade 3.....		8,205
1	1	Information Officer, Grade 5.....	4,410	4,500
1	1	Administrative Officer, Grade 3.....	4,005	3,600
4	8	Foreign Service Officers, Grade 2: 1 at \$3,630; 1 at \$3,540; 1 at \$3,510; 1 at \$3,480 .....	14,160	27,180
1	1	Consular Officer, Grade 2.....	4,050	3,750
	3	Information Officers, Grade 4.....		10,230
1		Information Officer, Grade 3.....	3,660	
32	27	Photo and Graphic Editor .....		3,600
		Foreign Service Officers, Grade 1: 1 at \$3,540; 1 at \$3,390; 4 at \$3,300; 4 at \$3,270; 1 at \$3,240; 7 at \$3,105; 3 at \$3,080; 3 at \$3,055; 4 at \$3,030; 1 at \$3,005; 3 at \$2,880.....	100,355	79,575
2	1	Editors, Grade 2: 1 at \$3,660 1 at \$3,600	7,260	3,360
1	1	Statistician, Grade 3 .....	3,360	3,060
	7	Information Officers, Grade 2.....		20,490
1	1	Administrative Officer, Grade 1.....	3,120	3,090
1	1	Departmental Accountant, Grade 4.....	3,690	3,390
1	2	Head Clerks .....		6,480
1	1	Supervising Clerk .....	2,330	3,060
3	1	Administrative Assistants, Grade 1: 1 at \$3,180; 1 at \$2,700; 1 at \$2,670	8,550	3,000
1	1	Editor, Grade 1.....	3,150	2,850
1	1	Departmental Accountant, Grade 1 ....	2,790	2,460
12	11	Principal Clerks: 3 at \$3,060; 2 at \$2,850; 1 at \$2,760; 1 at \$2,790; 2 at \$2,700; 1 at \$2,670; 1 at \$2,640; 1 at \$2,580 .....	33,720	28,350
1	4	Junior Administrative Assistant .....	2,460	8,520
4	3	Reference Assistants: 1 at \$2,760; 1 at \$2,610; 1 at \$2,520; 1 at \$2,160	10,050	6,630
2	2	Technicians, Grade 1: 1 at \$2,715; 1 at \$2,670 .....	5,385	4,740
20	25	Clerks, Grade 4: 2 at \$2,580: 1 at \$2,550; 1 at \$2,535; 3 at \$2,520; 1 at \$2,445; 1 at \$2,430; 1 at \$2,415; 1 at \$2,400; 2 at \$2,385; 2 at \$2,370; 3 at \$2,355; 1 at \$2,340; 1 at \$2,280.	48,690	55,170
30	27	Clerks, Grade 3: 5 at \$2,280; 1 at \$2,235; 2 at \$2,220; 1 at \$2,205; 3 at \$2,175; 2 at \$2,160; 1 at \$2,145; 6 at \$2,130; 4 at \$2,115; 3 at \$2,100; 2 at \$2,085.	64,980	52,635
17	34	Stenographers, Grade 3: 6 at \$2,280; 3 at \$2,190; 1 at \$2,145; 1 at \$2,130; 1 at \$2,100; 1 at \$2,085; 2 at \$2,070; 1 at \$2,055; 1 at \$2,040.....	36,945	66,105
2	2	Office Appliance Operators, Grade 3: 1 at \$2,265; 1 at \$2,085.....	4,350	4,020
1		Teletypist, Grade 2 .....	2,130	
18	24	Clerks, Grade 2B: 12 at \$2,040; 2 at \$2,025; 1 at \$1,950; 1 at \$1,860; 2 at \$1,800 .....	35,940	43,815



## STANDING COMMITTEE

Number			Amount	
1950-51	1949-50		1950-51 \$	1949-50 \$
40	37	Clerks, Grade 2A: 5 at \$1,860; 1 at \$1,830; 1 at \$1,785; 3 at \$1,755; 7 at \$1,740; 5 at \$1,725; 7 at \$1,710; 2 at \$1,695; 1 at \$1,590; 1 at \$1,575; 1 at \$1,560; 1 at \$1,545; 3 at \$1,530; 1 at \$1,515; 1 at \$1,500.....	68,220	56,670
25	26	Stenographers, Grade 2B: 17 at \$2,040; 1 at \$2,025; 3 at \$2,010; 1 at \$1,995; 2 at \$1,950; 1 at \$1,800.....	50,430	47,460
44	33	Stenographers, Grade 2A: 5 at \$1,860; 2 at \$1,845; 4 at \$1,830; 4 at \$1,815; 8 at \$1,800; 1 at \$1,770; 2 at \$1,755; 1 at \$1,740; 3 at \$1,725; 4 at \$1,710; 2 at \$1,695; 2 at \$1,665; 2 at \$1,650; 1 at \$1,620; 1 at \$1,560; 2 at \$1,500.	77,205	50,850
19	22	Typists, Grade 2B: 8 at \$2,040; 2 at \$2,025; 1 at \$1,995; 1 at \$1,980; 2 at \$1,965; 3 at \$1,950; 1 at \$1,845; 1 at \$1,800.....	37,770	39,585
24	23	Typists, Grade 2A: 9 at \$1,860; 1 at \$1,755; 1 at \$1,740; 2 at \$1,725; 1 at \$1,710; 1 at \$1,695; 2 at \$1,560; 3 at \$1,545; 2 at \$1,530; 1 at \$1,515; 1 at \$1,500.....	40,920	35,910
1	5	Office Appliance Operator, Grade 2B...	2,040	8,880
1	1	Caretaker, Grade 5.....	2,235	1,875
4	3	Confidential Messengers: 3 at \$1,860; 1 at \$1,830.....	7,410	5,325
3	3	Packers and Helpers: 1 at \$1,920; 1 at \$1,725; 1 at \$1,710.....	5,355	4,680
1		Teletypist, Grade 1B.....	2,040	
2	2	Teletypists, Grade 1A: 1 at \$1,860; 1 at \$1,545.....	3,405	3,105
6	7	Messengers: 3 at \$1,800; 1 at \$1,650; 1 at \$1,635; 1 at \$1,500.....	10,185	10,725
22	29	Clerks, Grade 1: 4 at \$1,500; 1 at \$1,455; 2 at \$1,320; 1 at \$1,305; 2 at \$1,290; 1 at \$1,275; 1 at \$1,200; 5 at \$1,185; 3 at \$1,170; 1 at \$1,145; 1 at \$1,080.....	28,115	35,555
5	8	Stenographers, Grade 1: 2 at \$1,500; 1 at \$1,395; 1 at \$1,365; 1 at \$1,335	7,095	10,020
13	15	Typists, Grade 1: 5 at \$1,500; 1 at \$1,455; 1 at \$1,410; 3 at \$1,305; 1 at \$1,260; 1 at \$1,230; 1 at \$1,215	17,985	18,810
20	17	Office Boys and Girls: 6 at \$960; 2 at \$915; 2 at \$900; 1 at \$885; 1 at \$870; 2 at \$855; 1 at \$840; 2 at \$825; 3 at \$810.....	17,775	13,043
392	437		814,420	870,388

## EVIDENCE

HOUSE OF COMMONS,

THURSDAY, May 18, 1950.

The Standing Committee on External Affairs met this day at 8:00 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum, and I must say I am quite appreciative of the fact that you have found it possible in these busy times to come so numerous and so early. Before we proceed, may I say that next week our section of the country is going to have the great honour of receiving the visit of the Governor General and his wife, and I have been invited to be with them in my constituency as far as Moose Factory. I hope you will find it possible to hold at least two meetings next week which will be under the capable chairmanship of our vice-chairman, Mr. Gordon Graydon. I believe that it is the intention of Mr. Heeney to answer a few questions before proceeding.

**Mr. A. D. P. Heeney, Under-Secretary of State for External Affairs, called:**

The WITNESS: There are two or three questions which were asked at previous meetings which, if it is the wish of the committee, I might attempt to answer before we go on to other items.

Agreed.

Mr. Noseworthy asked a question at the last meeting in connection with the numbers of employees in the permanent and temporary categories. I took this question down this way: first, how many in the permanent category have left the department during the last fiscal year by resignation, retirement, and so forth? The answer to that is thirteen. Of these thirteen, running over the list quickly, I see one has become a deputy minister in another department; another gone to another department of government; a third has gone to another department of government; a fourth has resigned for the purpose of getting married; a fifth has resigned for other family reasons; a sixth has been superannuated; another has been appointed Clerk Assistant to the House of Commons; another has been transferred to the Department of Justice; another has been transferred to the Department of National Revenue; two more stenographers have resigned for the purpose of marriage and another stenographer has been transferred to the Department of Justice; and a fourth has resigned for the purpose of marriage.

I was rather interested myself to see the answer to this question. It is a very desirable process that people should be capable of being moved from one department of government to another. That is the view we hold.

The second question Mr. Noseworthy asked was the number who, in the fiscal year, had moved from the temporary to permanent category? The answer to that is 111.

At an earlier meeting Mr. Low asked if we would make a statement at some suitable time on the general system of control of expenditures, and if

that is the wish of the committee, I might read this statement which I have prepared. This is an attempt to describe the procedure followed by the department for making an expenditure or expenditures and the method by which we control expenditures from the votes which are approved by parliament in our annual estimates. The basic principle, of course, is that the amounts which are voted to the Department of External Affairs by parliament can be spent only for the purpose for which they are voted and in addition to that in accordance with the regulations which are laid down by the department, and within the authorities approved by the Treasury Board. Abroad, Heads of Mission are authorized to spend on capital items, without reference to Ottawa, \$250 in any one fiscal year with a ceiling of \$50 on any one item. When a single purchase involves more than \$50 or when the yearly total of \$250 has been exhausted, special authorization must be obtained from headquarters in Ottawa.

Mr. STICK: In other words they have to come back to you for another grant.

The WITNESS: Yes, sir.

*By Mr. Goode:*

Q. You could have five different purchases of \$50 each and you would have exhausted your funds.—A. That is right, for the one fiscal year.

Q. That is for capital expenditures?—A. Yes. In Ottawa the Under-Secretary may authorize commitments of not more than \$2,000, while the Minister may approve any amount up to \$5,000. Any expenditures in excess of \$5,000 are referred to the Treasury Board for approval. So much for the amounts which can be spent without special authorization.

The accounting machinery of the department is so designed that expenditures as they are incurred and commitments as they are entered into are recorded immediately not only against the proper vote but also into the appropriate compartment within that vote. In other words, each vote is broken down in detail for purposes of departmental accounting so, for example, the amount spent under departmental administration vote 64, would be entered according to its nature under salaries, telephones, telegraphs, printing, office equipment, to name only a few of the special headings.

This subdivision within the various votes applies not only to payments made in Ottawa but also to expenses incurred abroad. Each mission sends us monthly returns broken down into the main items, such as local salaries, cables, rents, freight, et cetera. These monthly statements from the missions are then brought together to form a consolidated month-end financial statement. It is by means of this month-end financial statement prepared in the department's treasury office that our expenditures are controlled. This is a sort of central control documentation. This consolidated statement is a detailed statement showing on the date of its preparation the complete picture for each of the votes and for each small component within each vote. At the end of any month, therefore, we know the amount spent and committed to that date as well as the free unexpended and uncommitted balance available for further requirements. If at any time within the month it is necessary to know how much we have spent for, let us say, telegraphs, the figure can readily be provided by our treasury officer who has these running figures from day to day.

Now, I may perhaps trace the normal procedure followed when departmental funds are being expended. I think this can best be done by giving two or three simple examples. I will give an example from three levels of expenditure, a large item such as would be required for the purchase of a house for a Head of Mission, ambassador or high commissioner; second, a normal expenditure such as is frequently made by the department in Ottawa, let us take, for example, printing,



the printing of documents; and thirdly, let me take a small but special expenditure. I propose to give as an example one for \$25 for the purchase of a presentation in a foreign country.

First, the purchase of a residence abroad. Before consideration is given in the department to any property purchase the normal procedure is for our departmental architect, Mr. Antoine Monette, to go to the country concerned. He examines houses available, some of which may have been identified earlier by the Head of Mission as being suitable for the purpose. Following his investigation on the spot our architect prepares and sends to Ottawa a report containing his estimate of any repairs or alterations which may be necessary to make the place appropriate to its purpose, indicating the asking price, the location, the general description of the building and grounds and his own recommendations in regard to its purchase. If departmental officers are satisfied with these proposals they are then put before the minister. After he approves them they will then in the normal course go to cabinet for approval in principle up to a certain ceiling figure. That is the first approval which is obtained for purposes of negotiating. We know then within what figure we can operate and we have some idea of the availabilities in that particular city. If ministerial approval is obtained, the department on the evidence submitted by the architect establishes an order of priority for the buildings under consideration. He may have three or perhaps four which he has investigated in a certain capital and we in the department look over the reports he has made, will establish an order of priority having regard to price and location, size and so on. The architect at this point is then requested to prepare detailed data on houses which represent our choices. As you can appreciate there are occasions when we need follow up only one of his recommendations, and conversely, there are occasions when there is so little difference in price, design, and so forth that a detailed report on perhaps two or three or even four have to be sought. This additional information will include plans of the building, photographs, valuations by at least one local real estate valuator, the probable cost of furnishing, manner of payment, and so on. Upon receipt of this further data, consideration is again given to the matter by the department and eventually a formal recommendation is made to the minister concerning the purchase, provided, of course, the price is within the ceiling which has been fixed at the earlier stage prior to our entering into negotiations. Given ministerial approval the submission is then made to the Treasury Board in which complete details are set out. If, after examining our submission, the Treasury Board authorizes the purchase we instruct the Head of Mission, ambassador, or high commissioner to proceed with the transaction. This file is an example of what has to be gone through before we get to the stage of purchasing. This is a file on Copenhagen which I had drawn before I came over here. I do not need to say to the members that these real estate transactions are a cause of very considerable concern and worry and I can assure members of the committee we do take every possible care and sometimes, I think, if anything we are rather cumbersome over procedure before we get to the point of purchase.

Now, the next is a normal expenditure. I will take an example of departmental printing. We have in the department what we call the Treaty Series, which is a series of uniform printing of treaties to which Canada is a party. When a treaty is signed the text has to be properly and permanently recorded in this series. In cases like this, from our previous experience we know how many copies will be needed, how many to order, and what the approximate cost of the publication will be. An order is then drawn on the King's Printer which is authenticated in the first instance by two officials. The first one is the treasury officer. He has to determine that we have the money to make this payment, that we will have the funds, that is, within an approved vote. The treasury officer makes sure that these funds will not then be used for other purposes, and he engages in what is known as encumbering; he encumbers the funds for that



amount. It is earmarked and cannot be used for anything else. The second official who has to do with this order is the departmental clerk to whom the printed material is to be delivered. He gets a copy of the order as a warning. When the printed materials is delivered to him he checks it against the order as to number and quality. I hope I am not going into too much detail, Mr. Low?

Mr. Low: It is exactly what we wanted.

THE WITNESS: Some of it is normal commercial practice. In this case, of course, the quality of the stock and the printing have been well defined by many previous orders. If the order has been properly filled he notifies the officer in the Supplies Section. The supplies officer will then certify the bill when it comes to him for payment. This certified bill is passed for payment to the treasury officer who already has earmarked the required amount of money, and the bill is paid.

That, in brief, is the procedure followed in normal recurring items. I might mention that among such items are some which for one reason or another are accorded somewhat special treatment. I have an example here of the purchase of books for the departmental library, and the purchase of books for missions abroad. Now, the expenditure on books is not very large in the department but we think it should be pretty carefully done; we have set up a committee of officers—which we call the Library Committee—to screen the librarian's suggestions for books. This Library Committee makes recommendations to the Under-Secretary, whose approval must be obtained before any book can be purchased from departmental funds.

My last example is a small one, but is perhaps indicative. I use this example solely to indicate to members of the committee that occasionally because of the circumstances surrounding an expenditure, Treasury Board authority must be obtained, even though the expenditure contemplated is only a few dollars. My example is this. A request was forwarded to us on March 9th by the Canadian Consul General in San Francisco. It had been suggested by the dean of the San Francisco consular corps that each of the nations represented in the San Francisco Bay area present its flag to the International Committee in Oakland across the Bay. The presentation was to take place at a July 4th celebration when the consuls of the various countries would attend as guests of honour.

We found that the cost would be: One flag 3' by 5'—\$10; one pole made of hardwood 8' by 1"—\$4.50; a round gilded stand for the 1" pole—\$4; making a total of \$18.50.

As the other nations involved were intending to donate their flags, it was considered appropriate that Canada should do likewise. We were influenced in our decision to some extent by the fact that the International Committee of Oakland had displayed, in the past, a keen interest in promoting a better knowledge of Canada in that vicinity. However, because the item would not be used for Canadian government purposes but would constitute a gift, it was necessary to obtain Treasury Board authority. A submission was prepared, concurred in by the Under-Secretary, signed by the Minister and went forward for consideration by the Board. Some correspondence ensued between the Secretary of the Board and officials of the department in connection with our proposal and finally on April 26 the necessary authority was obtained.

That might look like a ridiculous example, but I only use it to show that that is what happens when you are outside of the normal routine, when you are making an expenditure which is not within the rule for Canadian government purposes, that the most careful scrutiny is made, by the department in the first place and also by Treasury Board officials.

Mr. FRASER: If you were buying a \$100 flag and pole for an embassy you could pay for it out of the vote.

The WITNESS: For the use of an embassy. You could have bought two of those and half another one.

Mr. FRASER: Yes.

The WITNESS: It seems contradictory in a way, but there is a reason for it.

Mr. FRASER: That is right.

The WITNESS: Before concluding, I would like to explain to the committee that in the re-organization which we have effected during the past year there has been included the establishment on the administrative side of a special section known as the Finance Section. It is under the supervision of Mr. Hemsley and, as its name implies, it is concerned with this complex but most important aspect of our work—the accounting for funds and the control of expenditures. This is the section which exercises checks on expenditures and where action is taken to ensure that the necessary authorities have been obtained. What I have done this evening has been simply to sketch our procedures in outline. It is really not possible to do more in an oral statement. To obtain a detailed picture in matters of this nature, one would need to go into our accounts office and follow the course of a voucher or an invoice and observe the entries being made by members of our staff. Nevertheless, I hope that my statement contained the information desired by Mr. Low, and that it may have been useful also to other members of the committee.

*By Mr. Low:*

Mr. Chairman, I want to thank Mr. Heeney for his statement. I do believe that he has given us details of the administration in the department which are exactly what I for one had hoped to see. And another thing is this, Mr. Chairman, the statement will be a great help to members of the committee in their study of the estimates, and from a study of these notes they can know exactly what the procedure is. If you don't mind, Mr. Chairman, I would like to ask Mr. Heeney one or two questions on that: Do I take it then, Mr. Heeney, that there is no such thing as the practice of transferring funds to meet overdrafts by the transfer of unexpended balances in one vote to another vote within the department?—A. I am going to ask Mr. Hemsley to answer that as it is somewhat technical. Transferability *within* votes is possible but not *between* votes.

Q. If you don't mind tracing that right down to transfers between compartments within a vote.—A. Within a vote, yes. Mr. Hemsley can tell you more about that than I could.

Mr. HEMSLEY: There is no risk at all of money being transferred from one vote to another. Occasionally it is possible to effect transfers between sub-compartments of a vote, subject to the approval of Treasury Board. We have to go to the Treasury Board if we wish to move funds from one compartment to another compartment of a vote. I should explain that this happens very infrequently in our vote for departmental administration because we are able to estimate with much greater accuracy than is possible in some of the other votes; however carefully we estimate it does occur, but not frequently. It is not an unusual practice to transfer between sub-allotments in our representation abroad vote with the approval of Treasury Board. My own feeling would be that if the representation vote were closed into water tight compartments you would probably have to estimate a little more for each of your missions than you do at the present time to allow for flexibility. Unlike our vote for departmental administration, our primary allotments in representation abroad are for the missions themselves, and the allotment for each is based on the estimated requirements of the mission. If for example, we have underestimated for Japan, rather than being confined by a water tight compartment and needing a supplementary

estimate to permit Japan to operate, we are permitted with Treasury Board approval to transfer within the vote for representation abroad a surplus from another mission.

Mr. GRAYDON: Does that water tight compartment apply to the International Joint Commission?

Mr. Low: That is very good. Now, Mr. Chairman, just one or two questions about the estimates, with respect to expenditures made during the closing months of the fiscal year. If you find you have a surplus on hand with respect to any particular vote is the practice to try to use up the balance available in that vote before the end of the fiscal year?

The WITNESS: I think there may be a normal human tendency in that direction. In the department we guard against that possibility and I do not think we are guilty of particularly heavy expenditures toward the end of the fiscal year. If an estimate has been approved for a purpose which we plan to accomplish during the fiscal year, like human beings, if we find we have got behind as between our plan and our performance, then toward the end of the fiscal year there is, I think, a legitimate scrutiny to see the extent to which we have performed; that might result, perhaps, in somewhat larger figures toward the end of the fiscal period. I do not know how we are running in our department—whether our expenditures near the end of March were above our average.

Mr. Low: I was wondering if in your department you keep a graph or chart of expenditures.

The WITNESS: We keep, of course, up to date current records. I do not think we keep a graph.

Mr. HEMSLEY: We keep a close check on expenditures in our records, Mr. Low, and we can tell exactly where they stand at any given time.

Mr. Low: That would be your check on it.

Mr. HEMSLEY: The normal procedure when we come towards the end of the year is to add the item up and be concerned as to whether or not we are going to have enough.

The WITNESS: I think I can say this in answer to what is in the back of Mr. Low's mind—not unnaturally. We would not make a bad bargain in March just because we had money left in the kitty. Certainly I would have nothing to do with authorizing such a transaction.

Mr. HANSSELL: I do not want to put it in so many words, but I am led to believe that that practice is followed in some of the departments, and that they do transfer moneys from one vote to another in order to get certain work done, and possibly also to use up the money on hand.

Mr. GOODE: And I presume you also consider any money earmarked for a special purpose as being expended; that is the purpose of those encumbrances to which you referred?

The WITNESS: Yes.

Mr. GOODE: So that they are in effect actually a marked cheque.

The WITNESS: Yes, it is the earmarking of certain funds for a specific purpose. Let us say that you have \$100,000 in a vote and you encumber it to the extent of \$50,000; in that way you are earmarking that \$50,000 for a particular purpose.

Mr. Low: And that would show up in your check-up, I take it, and that might account for a heavier expenditure along towards the end of the year. You can't use that money for any other purpose?

The WITNESS: No, only for the purpose for which it was encumbered. So far as the Treasury Board is concerned, that money is spent.



Mr. HEMSLEY: Yes, from the time we indicated that it was encumbered for that certain purpose.

Mr. GOODE: And that would be all charged up before March 31st?

The WITNESS: That is right.

Mr. Low: I just wanted to be sure of my understanding of the procedure. From what you have told us I take it that there is more than normal scrutiny in the case of all expenditures in your department.

The WITNESS: I think I can give that assurance, Mr. Chairman. There is one point I would like to emphasize. That is that the administration of the department would not authorize any expenditure toward the end of the fiscal year for some item which did not meet their normal stated requirements, just because time was running out.

Mr. Low: That is a good assurance to have on the record.

Mr. HANSELL: Then, as I understand it, it is possible to transfer moneys from one compartment to another within a vote with the approval of the Treasury Board; is it possible to transfer money from one vote to another by approval of the Treasury Board?

Mr. HEMSLEY: Between votes, no; never between votes.

The WITNESS: Not between votes. The answer to that is no.

Mr. HANSELL: Well, in that case, I want to say that I understand that that is done in some of the other departments.

The WITNESS: Well, of course, I can only speak for the Department of External Affairs.

Mr. HANSELL: I understand that that is being done in some of the departments, and I also understand that that is a matter which came up for discussion before another committee and that it invoked considerable discussion.

Mr. McCUSKER: I do not think that should be on the record of this committee. I think that is a matter which should be taken up with the committee concerned. We have no right to put on the record here what another department is supposed to be doing, or if it is supposed to be transferring moneys from one vote to another without proper authority.

Mr. HANSELL: Well, Mr. Chairman, I didn't say what department that was being done in.

Mr. McCUSKER: I know you did not say what department, but there is the inference there which should be brought up in connection with the department concerned.

Mr. HANSELL: So far as the Department of External Affairs is concerned I understand that they never transfer money from vote to vote, and that they only transfer from compartments within a vote with the approval of the Treasury Board. However, that may be the situation in the Department of External Affairs, but that is not to say that it is not done in any other department. That is what I meant.

Mr. CROLL: Your statement was to the effect that it is done in another department. We do not want to have that on the record of this committee.

Mr. McCUSKER: If it is not being done here, and we have the assurance of Mr. Heeney and Mr. Hemsley that it is not, there is no reason for it being brought up and put on the record of this committee.

Mr. HANSELL: What I was trying to do was to give a little more help to the Department of External Affairs.

The WITNESS: It would no doubt be a very great practical convenience, sir.

Mr. HANSELL: I think the government by order in council should take the responsibility of doing it.



The CHAIRMAN: As far as that is concerned, that has nothing to do with the question before the committee.

Mr. Low: I am satisfied, Mr. Chairman, and I want to thank Mr. Heeney for the information he has brought here.

*By Mr. Graydon:*

Q. I was going to ask the deputy minister a question about the matter raised by the member for Macleod. If you run out of funds in connection with one vote, that does not cause any great difficulty to the department, does it; because what you do is call for supplementary estimates and you go before parliament before the end of the fiscal year, or sometimes afterwards, and you ask parliamentary approval for that vote. Let us assume that you have run completely out of funds originally estimated, that you have exhausted your vote, then I take it all the department needs to do is to put in for a supplementary estimate—and even in some cases they put in further supplementary amounts; of course, that is what happens all the time, not only in your department but in the other departments. —A. Yes, that is a correct description of the procedure. Naturally I think, like all departments perhaps, we are anxious as Mr. Graydon suggested to keep the necessary supplementaries as low as possible. I did give some examples when I first appeared before the committee of items in respect of which we would have to come forward. We know now of requests we will have to make for supplementaries this year because of changes in the situation abroad.

Perhaps it might be useful to the committee if I were to make a statement, something like that which I made tonight on the control of expenditures, on the methods or procedure we use in preparing the estimates. It might be helpful if I put something on the record which shows the process through which we go, and some of the difficulties that we encounter in trying to estimate particularly in respect of our missions abroad. That is where we differ from other departments and it is in respect to the Representation Abroad vote that you sometimes find us off the mark. I am afraid that the situation being as it is, and with conditions in various countries being so different and so difficult to foresee so far in advance, we shall always be off the mark to some extent in our estimates under that particular vote.

If the committee would be interested, perhaps at some future meeting, an explanation could be given of the procedure through which we go in order to produce these figures I would be very glad of the opportunity to give that explanation.

Mr. Low: I think it would be very useful.

Mr. GRAYDON: I would be shocked to learn that one vote could be transferred to another. I should think that would be a very bad practice and I am glad to hear the deputy minister indicate that so far as his department is concerned that practice is not being followed. If it were, I think it would raise a very serious question so far as the control of expenditures by parliament goes; because if you could shift from one vote to another, there would not be the opportunity of scrutinizing supplementary estimates which there normally ought to be.

Mr. COLDWELL: It does not concern us in this committee because it is not being done by the External Affairs Department.

Mr. FRASER: Mr. Chairmain, the details of item 66 would give an idea of what I want to get at.

The CHAIRMAN: But we are still on item 64. We have not passed that item yet.

*By Mr. Fraser:*

Q. I want to use this item 66 as an example. In that vote of \$4,594,836, if your salary estimate as set out in the details called for here is \$1,600,000 or so,

and as the year went on you found that you would perhaps have to spend \$2 million, could you not take from that vote some unused money and use it for additional salaries?—A. That is within a single vote, 66. You ask if we could transfer from one sub-allotment to another. We would have to have the approval of the Treasury Board in order to move from one sub-allotment to another.

Q. But can you not do that in that vote, and instead of spending \$1,600,000 can you spend \$2 million or \$3 million?—A. I do not think we would last very long if we were out quite as far as that.

Q. I just use a large figure as an example; but that could be done?

*By Mr. Croll:*

Q. What is the answer to it?—A. If the Treasury Board approves, you can move from one sub-allotment to another in the same vote.

*By Mr. Noseworthy:*

Q. What about the two items on page 4 of this sheet which you gave us, where the expenditures for salaries and allowances are given?—A. That is an actual example of what Mr. Fraser was talking about. The printed estimate for 1949-1950 for salaries under departmental administration was \$421,735. And you will see in the estimated expenditures under that heading, we spent, in fact, \$504,682.61. And there is a foot note which says: "Due to transfer between allotments."

That is a precise example of what Mr. Fraser was asking about.

*By Mr. Coldwell:*

Q. And you would have to get the approval of the Treasury Board in order to do that?—A. Yes sir.

*By Mr. Fraser:*

Q. And if you needed any more money you would have to ask the Treasury Board?—A. If there was no money left in the vote, we would have to come and ask for a supplementary.

*By Mr. Stick:*

Q. You mean you would have to come to parliament for a supplementary?—A. Yes, sir.

*By Mr. Noseworthy:*

Q. What about the \$300,000 by which the estimates exceeded the expenditures last year; would that money go back to the Consolidated Revenue?—A. Yes, sir.

*By Mr. Graydon:*

Q. Concerning the two items on page 113 with respect to the departmental expenditures on telephones and telegrams, I am interested in the telephone end of it. What part of that charge of \$100,000 for last year—there is an estimate of \$85,000 for this year—what part of that is for normal telephone overhead, and what part has to do with long distance calls?—A. That is all long distance, I am informed. Normal telephone service for local calls and equipment are not provided by External Affairs.

Q. I take it they are provided by the public works department or by some other department?—A. That is right.

Q. And of those long distance telephone calls, how much is for calls within Canada and how much for calls outside of Canada?—A. Before answering definitely I would like to check the figures. I would say that by far the greater proportion is for calls outside of Canada.

Q. I would think that would be normally so because in a department such as External Affairs I should not think there would be much need for long distance calls within Canada at all.—A. There is not much; but we sometimes have occasion to call outside of Ottawa in Canada in order to answer inquiries of some urgency with regard to a visa or a passport. All those calls are classified together. Probably the passport office and the consular division would together have the greater bulk of the “within Canada” calls.

Q. Might we have a figure at some future time giving the exact break-down as between out of Canada calls and inside Canada calls?—A. Yes, sir.

*By Mr. Noseworthy:*

Q. This amount includes all the telephones within the department?—A. That is right.

*By Mr. Graydon:*

Q. Would you include some information with respect to telegrams when you are getting that other information for us?—A. Yes, sir.

Mr. HEMSLEY: You mean inside and outside Canada?

Mr. GRAYDON: Yes, sir.

*By Mr. Graydon:*

Q. On the question of sundries—that figure of \$94,500 in the year 1949-50, and the estimated \$59,900 this year—is it possible to get any kind of a general break-down so that we may know what is meant by “sundries”?—A. I think we have that right here, Mr. Chairman. The item “sundries” is broken down in this way, Mr. Chairman: the amount of \$15,000 represents subscriptions and publications. That is the same amount as was estimated for last year. Books for offices abroad are again estimated at \$20,000.

Mr. GRAYDON: Books for offices abroad?

The WITNESS: Yes, sir.

Mr. STICK: What type of books are they? Are they general administrative books, and account books?

The WITNESS: No, they would, for the most part, be for what we call the basic Canadian library which is provided to each of our missions. We have not fully accomplished our objective but we are trying to build up in each of our missions abroad what we call a basic Canadian library. Those are books of reference concerning Canada. Some of them may be commercial publications, with commercial statistics, standard historical works on Canada, geographical works, and the kinds of things necessary for dealing with local enquiries concerning conditions in this country.

Mr. COLDWELL: Is there any Canadian fiction? And I am not asking that facetiously?

The WITNESS: Yes, I have gone over this matter fairly recently and there is some fiction.

Mr. BATER: Those books are used generally to advertise our country?

The WITNESS: I do not know that I would use the word “advertise”. I believe I would prefer to say “to make Canada known to those who are interested.”

Mr. STICK: To supply information.

Mr. FRASER: Those are not publicity books? They are books for reference, in most cases, for your agents throughout the world?



The WITNESS: For our own people to inform themselves and to lend to others.

Mr. FRASER: And to inform others.

Mr. GOODE: If someone in Copenhagen asked about the fishing industry in this country your people would have a book which would give general information?

The WITNESS: That is correct.

Mr. GRAYDON: Does that not overlap with the \$103,600 amount for Information?

The WITNESS: I do not think there is any overlapping; it is a kindred purpose but the money provided under Information is not used for this precise purpose. These are the two largest figures in the sundries—the \$15,000 and the \$20,000. There is an amount of \$4,900 for press news service—and normally recurring items of \$20,000. I do not think I have a breakdown of that last \$20,000.

Mr. Low: What is that press news service, is it a clipping service?

The WITNESS: Canadian Press news.

Mr. MORAN: Over the teletype.

The WITNESS: The ticker tape service.

Mr. COLDWELL: Do you supply any Canadian pictures like silk screens from the National Gallery, and so on?

The WITNESS: We buy a good many and supply some occasionally to good causes. We use many ourselves, which we buy from the National Gallery.

Mr. COLDWELL: Do you supply them to the consular offices?

The WITNESS: Yes, sir. I think every office I was in a couple of months ago had silk screens. They are the only kind of reproduction which we use and they are very popular, as you know.

Mr. GRAYDON: The press news service would normally come under publicity and information, would it not?

The WITNESS: I would not think so; this is information inward. It comes into the communications room in the East Block.

Mr. MORAN: Yes, inward communication.

*By Mr. Graydon:*

Q. Generally speaking, what does that item comprise—the \$20,000 that has not been broken down?—A. I would have to refer you to Mr. Hemsley.

Mr. GRAYDON: I am anxious for a breakdown but not necessarily now.

*By Mr. Noseworthy:*

Q. The first \$15,000 you say is subscriptions and publications?—A. Canadian papers and magazines.

Q. It is all subscriptions; nothing you publish?—A. Nothing we publish.

*By Mr. Fraser:*

Q. That would be foreign magazines and papers?—A. Yes there would be some element of that, you are quite right. We do have quite a number of foreign papers coming into the East Block.

Q. I would like to ask about the teletype service. The figure is up this year from \$25,000 to \$31,000?—A. Yes.

Q. Have you got more service, and where does it extend to?—A. The principal teletype circuits are operating between Ottawa and New York and Ottawa and Washington. They are for departmental service.



Q. They are between each place and you use them both ways?—A. That is right, sir.

Q. You mentioned the teletype under sundries?—A. That is the Canadian Press Ticker.

Q. It is separate?—A. Quite separate from this.

Mr. CAMPNEY: Is the teletype service to New York and Washington only open to your department or to other departments?

The WITNESS: It serves all Canadian agencies in New York and Washington.

*By Mr. Fraser:*

Q. Do you have the same system as the Americans have for checking on people asking for visas?—A. I am not sure that I quite understand the question. Do you mean visas for entering Canada?

Q. I mean that the Americans, in Toronto, and in other places, have a large card system. If you go in there to ask for a visa they just pull a file open and hunt through to find out whether you have ever been before a magistrate, or anything like that?—A. We have a system, but I would not be able to say that it is the same system as that used by the Americans. It is used in connection with the entry into this country of persons from other lands. Of course, Mr. Fraser will be aware that visas are not necessary from a number of countries for entry into Canada.

Q. I want to ask that when we come to the passport office.

The CHAIRMAN: Shall item 64 carry?

Mr. NOSEWORTHY: At the last meeting I asked if we could have any kind of a breakdown of this item of \$801,000 for temporary assistance.

The WITNESS: I omitted to take that up at the beginning of our meeting and I should have done so. I have here a breakdown, in every sense of the word. It is pretty large.

The CHAIRMAN: Would it be satisfactory if the breakdown were put on the record?

The WITNESS: The breakdown corresponds precisely to that which is given for permanent employees.

Mr. NOSEWORTHY: I did not ask for as much as that.

The WITNESS: We thought it would be better to make it correspond with the information for permanent employees.

The CHAIRMAN: Would it be satisfactory to print that on the record.

Agreed.

(For breakdown of estimate re temporary assistance, \$870,388 see Appendix A.)

The next item is 65, passport office administration.

Shall the item carry?

*By Mr. Fraser:*

Q. I would like to ask the witness what the revenue was last year, the number of new passports issued, and the number of those renewed?—A. I will have to accept that as notice.

Q. You mentioned a moment ago that there were a number of countries where visas are not required. France is one, what are the others?—A. The United States is one; the British Commonwealth countries are others.

Q. The United States is one for a period of only so long? Is it not only for 29 days?—A. I am really not an expert witness on this. The question is somewhat technical. I think you are speaking, Mr. Fraser, of temporary permits.

Q. That is only for 29 days and then, if you are going to stay longer, you would need a visa, is that not right?—A. No sir, not a visa.

May I revert to your first question. I find that I have the information. During the fiscal year ending March 31, 1949, the department issued 67,258 passports and renewed 16,316.

Mr. GRAYDON: That is a year ago?

The WITNESS: Up to the end of the fiscal year 1949.

*By Mr. Fraser:*

Q. The fiscal year?—A. Yes.

Q. That would be March?—A. That is not an answer to your question.

Q. But it is close enough.—A. The revenue from fees was \$328,815.

Q. That is one department where you do have a revenue. My other question concerned visas. Do you know the countries that do not require visas for travel purposes—that is tourist purposes or business purposes, when people are only going in for a short time?—A. We have recently completed visa agreements or agreements covering this question of entry with two or three countries. I would like to be precise in this question and add to the countries I have mentioned. France, and Belgium certainly, but I would like to make a complete list if you would permit me.

Q. I wonder if, when you are doing that, you would also tell us with what other countries you have foreign exchange agreements regarding the approval for travellers' cheques? The reason I ask that question is that I asked that information from some of the European countries and they were very kind in giving me information regarding the fact that there is an exchange agreement whereby our Canadian traveller's cheques can be used in those countries?—A. I would have to take that as notice too. Now I could go back again to your other question of the countries with which we have visa modification agreements.

While the actual responsibility for the admission or rejection of immigrants officially falls upon the immigration branch of the Department of Citizenship and Immigration, the Department of External Affairs is clearly interested in such matters as visa requirements. During the past year modification agreements have been concluded with Sweden, Belgium, Denmark, Luxembourg, the Netherlands, and Norway.

*By Mr. Graydon:*

Q. May I ask the deputy minister if we are accorded as good treatment with respect to our citizens going into the United States as we accord United States citizens coming into Canada—with respect to visa regulations and the like?—A. I suppose, Mr. Chairman, that the answer to some extent is a matter of opinion. The formal arrangements between the countries are balanced; they are the same. The committee will be aware that there have been certain difficulties encountered by persons from this country moving or attempting to move across the United States border within the past ten months. But in December our consular officials and immigration officials met with officials of the corresponding departments of the United States government to consider certain border crossing problems. A full and frank discussion took place concerning the difficulties encountered by certain Canadian citizens in entering the United States of America either for temporary visits or transit purposes. It was recognized that in relation to the volume of traffic over the international boundary the number of cases of difficulty remains exceedingly small—perhaps amounting to 100 cases out of the 30 million persons that pass Canadian immigration inspectors every year. However it is hoped that as a result of the meeting incidents connected with border crossing problems will in some fields be avoided in future.

As I said at the beginning of my answer, the administrative and legal requirements are substantially the same under the two jurisdictions, but the application of the administrative regimes have not been precisely the same. It was for that reason that we asked the United States to sit down with us and consider whether by informal agreement we could not endeavour to prevent the possibility of incidents happening—incidents which were not very satisfactory from our point of view.

Q. My point was largely that Canadian citizens, going into the United States for any extended period of time, sometimes encounter rather long delays in so far as their visa applications are concerned. I was wondering whether United States citizens have similar experiences in our offices when they attempt to come into Canada for an extended period of time?—A. I have known, I think I can say, of no complaints from United States citizens or United States officials that there have been undue delays in the matter of applications for the necessary entry permits.

Q. Well it may be that the situation has bettered as of recent times so far as our citizens entering United States for extended periods is concerned. I am unable to give any up to date information on it myself but at certain stages it was sometimes months before our people could get clear or get an appointment with United States officials in order to go through; but it may be that the situation has cleared up. If it is, I would be very glad to hear of it because it was a very great inconvenience at certain stages.—A. Mr. Chairman, I am informed that the situation has improved and is improving. I would not pretend that it is by any means entirely to the satisfaction of the United States immigration authorities or to our own, but I have confidence that the responsible American officials are interested, as we are, in preventing undue delays and making border crossings as free as both countries would like to see them, apart from the legitimate detection of crime.

Q. I take it that part of the delay was caused by the tremendous numbers of our people who were flying at certain stages, in certain offices, and I fancy we have to make allowance for that, and I fancy our Canadian citizens have done so. But it does seem to me they should not have to wait too long to get across. I think this government would be well advised to keep that in mind and make such representations as can be made. I know in many cases I have had to do with, the immigration officers were very courteous about it but it just seems they were overloaded with work and it was very difficult to handle the number of people who made applications from time to time.

The CHAIRMAN: I might say that last Saturday there were forty-two parliamentarians and their wives who crossed the Canadian border to the American side in a Greyhound bus and we just flew by without any stop whatever.

Mr. DICKEY: I do not think we should complain if the American authorities are not too anxious to receive Canadian applications for immigration into the United States.

*By Mr. Goode:*

Q. I would like to ask Mr. Heency what passport arrangements we have with countries behind the Iron Curtain, if any. I want to pinpoint this by asking what arrangements we have with Hungary, for instance?—A. There are no special arrangements with Hungary and that is true of all the countries behind the so-called Iron Curtain. A passport is a passport to go anywhere in the world including countries behind the Iron Curtain. In order to get into these countries, a visa must be obtained and that is where the difficulty arises and delays and refusals are quite frequent. I hope I am not putting it too strongly by saying that that is the rule rather than the exception.

Q. Would I be fair in saying that it is very exceptional for a Canadian to go into Hungary?—A. Very exceptional.



Q. I want to go further into that, but do not answer me—I am sure you will not—unless you want to. I am developing this Tim Buck story. I have looked over many files on this man and I would like to know what power the Canadian government has, if any, to refuse this man the right to go to Hungary; I refer to this communist convention that he just attended?—A. The minister made a reply in the House but not on this question exactly.

Q. He did not reply to me; if he had I would not have asked you the question.—A. He replied to a related question in the House of Commons not very long ago. The issue of a passport is of course the exercise by the ministry and more precisely by the Secretary of State for External Affairs of an element of the royal prerogative. In strict law—I suppose members of the committee who are lawyers will agree with me—this is a matter of discretion. Nevertheless, over the centuries the general conception has grown that the citizen of a country is entitled to a passport of that country. Now, this is not the visa question which really is your question. Every country, of course, exercises control over entry to its own territory; it can permit or refuse permission to come into that country. The entry of any Canadian citizen into Hungary is controlled entirely by the Hungarian government as the entry of any citizen into the United States is controlled by the United States government. The normal procedure for a visa for Hungary or any other country is for application to be made through the consular office of that country located in the country of the applicant. Whether or not a visa is granted is solely a matter within the discretion of the administrative control of the country of destination.

Q. Has the Canadian government the power to refuse a passport to a citizen? I am talking about Tim Buck. You can answer yes or no.—A. If I answer that I suppose I am in a sense giving a legal opinion and I do not know whether I am allowed to practise any more.

Q. I would not have asked the question if the minister when speaking in the House had not said that he would have to check.—A. In strict law, at any rate, a passport can be refused by the Secretary of State for External Affairs. But in modern practice, in international legal affairs, if not in international law—it has become the general practice that the citizen of a country has a right to a passport. After all, a passport is in modern days nothing more than a document of identity that is really what it is, though it carries the ancient prayer for safe conduct which, in effect, for perhaps 100 years, has meant nothing.

*By Mr. Stick:*

Q. Has it not been the practice that when you apply for a passport it is not necessary to specify which country you are going to?—A. No, you do not have to specify.

Q. So Tim Buck could ask for a passport by saying he was going to England and then he could go to Hungary?

*By Mr. Goode:*

Q. Actually, the passport he travelled on was the re-issue of an old one, and there is no country specified on it.—A. That is the practice now. In the war and post-war period there were some special regulations which required an applicant to state where he was going. That was for the convenience of the applicant himself; the Canadian government knew there were restrictions against entry into many countries and although the passport office did not attempt to force a person to state where he was intending to travel, there were so many complaints from individuals who had tried to get into certain countries and were refused, the passport office asked applicants where they were really going. A passport is an identification of John Doe as a Canadian citizen and that identification is something upon which a visa or permission to enter may be put on by those who are entitled to give permission.



Q. Does a man holding a passport apply for a visa himself or does that come through your department?—A. In the normal course of events it is done by the one who is holding the passport.

Q. How many visas have been asked for in regard to Hungary, and how many would be granted? Could you check that?—A. No, we are not in control of that.

*By Mr. Graydon:*

Q. May I ask the deputy minister whether there is power in the crown to revoke a passport that has already been given.—A. Again, I speak with some hesitation in a matter of law, Mr. Chairman, but I would take it that if the issue of a passport is a matter of discretion it would follow as a corollary that the cancellation of the passport would be a matter of discretion.

Q. Have there not been cases in Canada—not very recently perhaps, but I think you will find in the past that there have been cases—where passports have been revoked?—A. Yes, there have been cases where the minister has revoked a passport. For example in cases of criminals, where it is obviously in the interest of international justice that identification which might facilitate movement over borders should not be in their hands. I should, perhaps, say in parenthesis that the actual revocation does not in itself insure that the passport will not be used. The physical possession of the passport may prove to be a facility to someone whose passport had been cancelled. We have to have possession of the passport in order to cancel it. If we do not have the passport the cancellation may not appear on the face of the passport. That is a practical difficulty.

Q. But if you were to do that with Tim Buck you would be able to deal with him when he came back to these shores—if he used a passport he did not have the right to use.

May I just ask this other question of the followers of the communist party in Canada, one in particular has said that he owes a higher loyalty to another government than he does to this; should that not be a sufficient reason whereby the whole question of revocation of passports in the hands of these people ought to be reviewed by the department?

Mr. CAMPNEY: I do not think that is a fair question to ask the under-secretary.

The WITNESS: I think that is a matter of policy which I would prefer my superiors to answer.

Mr. GRAYDON: I do not want to embarrass the deputy minister. I did have it in mind to make representations myself, to take it up with the minister, because I think there is great uneasiness and great anxiety in particular over the freedom of movement of some of these communists in this country who evidently owe a higher loyalty to some other country than to ours; and I think that the thing is sufficiently serious that the government might give consideration to checking up and reviewing passports that are outstanding in the hands of people who are knowingly and actively engaged in such activities here, because it seems to me there is no reason why any of these communists should not leave Canada. I would like to see them all leave. But I think that what has bothered most of us is that they can return at will, and it seems to me that is one thing which is causing great concern to the public generally, that they can come and go seemingly as they please behind the Iron Curtain; and it is something I suggest to you, Mr. Heeney, that might properly be reviewed in the light of the existing situation. Personally I do not think that we can afford, for purposes of national security, to take too many chances.

Mr. DICKEY: Mr. Chairman, on the question of their right to come back to Canada, that does not depend on their having a Canadian passport, that is

rather a matter of citizenship. They do not need a Canadian passport to come back to this country, but they do need a passport if they are going to Hungary or any other country, and those countries will not admit them if they don't want to. As long as they are Canadian citizens, or hold Canadian citizenship papers, they can come back to Canada any time they please. If we were to revoke their Canadian citizenship, that is another matter, and it might be more effective.

Mr. GRAYDON: Might I just answer Mr. Dickey? That would not apply to Hungary because Tim Buck would have to pass through a number of other countries to get to Hungary and he could not get through them unless he had a passport.

Mr. STICK: About them being Canadian citizens, how are you going to manage that?

The CHAIRMAN: I think that is a matter for the Department of Justice rather than for External Affairs to decide. When I say that, I have in mind an Anglican clergyman of Great Britain who went to Russia and came back again to England. That is the kind of difficulty the government is faced with in cases of that kind.

The WITNESS: I have a note here which will supplement what I said about this question of the restrictions in the use of passports. The minister does have the right to refuse. In point of fact, the minister does exercise from time to time his discretion in this matter. He may, for example—revoke, refuse, cancel or suspend a passport—and has done so in cases such as this (a) with criminals whose activities abroad would in the estimation of police authorities be detrimental to law and order in Canada; (b) volunteers wishing to fight on either side in any international or civil war; (c) children of adoption whose travel is not recommended by the provincial welfare authorities; (d) persons with outstanding debts to the crown for relief and repatriation—that is people who come under that \$15,000, the question that came up the other day—unless some satisfactory arrangement is made to reimburse the department in due course.

Mr. GRAYDON: It would seem to me that if you could refuse a passport because someone only owed you money that ought to be all the more reason for refusing a passport to a person going behind the Iron Curtain.

Mr. STICK: That involves the question of political freedom. May I ask this question? Are there any restrictions on Canadian citizens taking up permanent residence in the United States; for instance, is there any quota? I recall that there used to be a quota for people going over to take up residence in the United States. What restrictions are there on Canadian citizens going to the United States and taking up permanent residence?

The WITNESS: That, of course, is a question which should probably be answered by Citizenship and Immigration. There is no quota on the admission of Canadians to the United States, but there are certain regulations which do obtain and conditions which must be met, but they are much more liberal in the case of Canadians than they are in the case of other nationals.

Mr. STICK: That does not come under your department?

The WITNESS: No, it comes under Immigration. May I just say a further word about this question of passports? I should like to point out that a passport is not for the purpose of controlling entry into a country. A passport is itself fundamentally and solely a means of identifying a citizen of the country which issues it; and there has been some confusion I think, not in this committee but elsewhere, as to what a passport entitles the holder to. It is not in any sense a permission to get into another country, it is an identification document for purpose of travel.

Mr. NOSEWORTHY: That is my point. Is there any legal authority or body which can refuse re-entry?

The WITNESS: If they are Canadian citizens they are entitled to enter this country.

Mr. LEGER: Can they lose their citizenship?

The WITNESS: That again is a question for the Department of Citizenship and Immigration. There are certain reasons stated in the statute for the revocation of citizenship.

The CHAIRMAN: Shall item 65 carry?

Mr. FRASER: No, I want to ask a question on that. Has anything been done to improve the Passport Office here in Ottawa?

The WITNESS: Yes, sir, the offices have been substantially improved at their original location. When I was asked a question similar to this one at the sittings of the committee last session the Department of Public Works were contemplating moving the office on to Sparks Street. They found that that was impossible and undesirable from the general point of planning government office space, but they have put the Passport Office into pretty good shape now and it is not in the condition that it was on the last occasion when reference was made to it here.

Mr. CAMPNEY: I have had occasion to visit the Passport Office and I want to say that I received very courteous treatment and very good service there.

*By Mr. McCusker:*

Q. Have we a reciprocal arrangement with other countries with respect to the charge for visas?—A. There are no treaty or administrative obligations to charge the same rate, but in setting our own rates we have had reference to the rates set by others and they are, I think, comparable.

Q. It is rather hard on the traveller the way it is now. I have travelled at times and we have to pay two and sixpence—I paid \$5 for a visa, and I was wondering whether there had been any adjustment with respect to that?—A. The country which issues the visa sets the fee. I cannot tell you offhand how we compare with other countries other than Britain. Our rates are comparable to the British rates; one reason for this is that they do a good deal of our consular work.

Q. I think it would be better for our travellers if the department did try to arrange a reasonable fee, it would be a convenience to those travelling abroad.

Mr. STICK: If a person can afford to travel abroad a fee of two and sixpence for a passport visa is not too much.

Mr. GRAYDON: I think we should give credit where credit is due in connection with the Passport Office. I do not know what the experience of other members has been but I fancy it is similar to mine, and that is that I could not ask for greater courtesy or a more speedy service than is now given by the Passport Office on any applications that I have had occasion to make. That is a matter which I think is gratifying and satisfactory to members generally, that passports are issued so quickly. If you sent a passport application in this morning you are likely to have it back before you go to lunch. I think that appreciation ought to be conveyed to the Passport Officer. It is a great help and a facility which we greatly appreciate.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: Mr. Chairman, may I thank the committee for what Mr. Graydon has said. Members who have been on this committee for some years will know that this matter of passports has been one which causes members of the department a great deal of concern. I take no credit for any improvements because the improvements took place before I became Under-Secretary; but if it is appropriate for me to say so, I would like to join in Mr. Graydon's expres-



sion. Mr. O'Brien and his staff do their dull, routine, tiresome job with great cheerfulness and, I think, with great efficiency.

Some HON. MEMBERS: Hear, hear.

The CHAIRMAN: Shall the item carry?

*By Mr. Noseworthy:*

Q. Before the item carries, I would like to ask a question about the staff. The number of permanent positions, nine, I see are detailed individually, and they come to a total of \$33,480, while in connection with temporary assistance I see that there are 56 and that no details are given but just the amount, \$97,350. Could Mr. Heeney give us some information on that?—A. That is quite right. I am not quite sure whether the breakdown that I gave you gives that. We can do exactly the same thing with the temporaries as is done there with the permanents, if you want us to.

Q. What is the idea of preparing the details and having the estimates made up on that basis, showing the permanents in detail and the temporaries in one group.—A. Well, I think, Mr. Chairman, the reason for that was that "temporary" was an adjective used more liberally in the early days of the Civil Service and that they were the persons who came and went with greater frequency than they now do. As has been pointed out, the proportion of temporary employees in this department is still quite large. The proportion is gradually being decreased but there is still a very considerable majority in favour of the temporaries. I do not know why it is not the practice to give the detail on the temporaries but we have the detail, of course, in our own records and we can give it to you in precisely the same way for the temporaries as for the permanents.

*By Mr. Hansell:*

Q. I was asking Mr. Heeney if this wasn't altogether a matter of civil service terminology—this difference between permanent positions and temporary assistants? It does not particularly mean that the work is of a temporary nature, does it?—A. Oh, no sir, it does not. It means that they have not passed from the temporary to the permanent category. But nevertheless it is a real distinction for the individual himself. He does not get any benefits under the Superannuation Act. That is the principal disadvantage from which the temporary employee suffers.

*By Mr. Graydon:*

Q. He is still an under-graduate?—A. An under-graduate with a B.A. rate of pay, because the rates are the same.

Q. I do not think we have the total number of both permanent and temporary employees, and those who are under pay of the Department of External Affairs both at home and abroad. I am interested in having those figures because the department has grown so rapidly that the latest figures would be rather interesting to people. I think, generally, because they would reflect the growing position of Canada in international affairs.

Mr. McCUSKER: I think those figures were given to us the other day. I do not think you were here at the time, Mr. Graydon.

Mr. GRAYDON: They may have been.

The WITNESS: The total number of employees in the department is 1,250 in round figures.

*By Mr. Bater:*

Q. At home and abroad?—A. Yes, at home and abroad.

Mr. GRAYDON: That figure is good enough for me.



The CHAIRMAN: Does the item carry?

Carried.

Item 66 "Representation Abroad". Does the item carry?

*By Mr. Low:*

Q. Just one point, Mr. Chairman. I refer to the Public Accounts page E-11 and to the Estimates, page 115. I notice a note on page E-11 of the Public Accounts which reads thus:

PC 1099, March 10, 1949, authorized the acceptance of the sum of 1,000,000 kroner from the government of Denmark as an interim payment in partial settlement of the claim of the government of Canada for military relief supplies furnished. The current equivalent in Canadian dollars was set up on the Balance Sheet of the government of Canada as Blocked Currency under Cash and Other Current Assets. Of this currency, 40,000 kroner was utilized to acquire furnishings for the Canadian Legation residence in Copenhagen and the equivalent in Canadian dollars, amounting to \$8,335.20, was charged to Vote 54, Representation Abroad.

And I notice on page 115 of the Estimates under "Denmark" you have "Operational Expenses \$62,600"; and "Capital items \$9,250".—A. Yes, sir.

Q. What is the break-down of the capital items?—A. I shall ask Mr. Hemsley to give it to you. I can answer in general terms: this would represent items which would have to be paid for in Canadian dollars, and probably shipped from Canada, in the way of equipment of some sort for the legation premises.

Q. I take it that you have a pretty fair balance of blocked currency remaining to your credit in Denmark?—A. I do not know what the figure is, Mr. Chairman.

Q. I see you had some 1 million kroner awarded to you, and you had spent only 40,000 kroner last year according to this?—A. Yes, but since then we have bought the legation itself, which is the kroner equivalent of \$137,000.

Mr. MORAN: It is an item covering articles for the new residence which cannot be purchased in Denmark, things which are not available in Denmark, for instance, a refrigerator for the house. They are not available in Denmark and have to be purchased in Canada. These kroners are of no use for that purpose. Let me say that the building is a combined chancery and residence, so there would also be office equipment which would go into it; for example there has been a new safe purchased at a cost of several hundred dollars.

The WITNESS: It might be interesting to know that one of our departmental items of no unsubstantial amount is for a really secure safe for our secret documents at these various points. We attach great importance to the security of those documents; and in order to get the sort of safe which we were advised by the experts as being adequate for this purpose, we had to pay about \$2,000.

*By Mr. Low:*

Q. I hope you do not leave the keys in your pants pocket when they are being pressed.—A. You need more than a key to get into these things.

*By Mr. Stick:*

Q. Would it not be better for security purposes to purchase those safes in Canada?—A. The security people would not agree to our purchasing them in the country in which they are going to be located; certainly not in some countries.

*By Mr. Richard (Ottawa East):*

Q. We have five consulates in the United States, have we not?—A. Five, I think.

Q. How many have the Americans got here?—A. How many American consulates in Canada? The United States has the following consulates in Canada: in Ottawa; in Calgary; in Edmonton; in Halifax; in Hamilton; in Montreal; in Niagara Falls; in Quebec; in Regina; in Saint John; in St. John's; in Toronto; in Vancouver; in Victoria; in Windsor; and in Winnipeg. Sixteen.

*By Mr. Stick:*

Q. Does that figure include consulates general?—A. Yes, sir, consulates and consulates general.

*By Mr. Richard (Ottawa East):*

Q. My point is this: I wondered if any arrangement has ever been attempted with Washington whereby our Canadian citizens when they apply for patents in the United States would not have to go to the American consulate in order to have the oath of the notary in Canada certified. It creates great difficulty, and it costs us, moreover, \$2 each time. On the other hand, when the Americans file applications for patents in Canada, they can do so without having to have their oath certified by the Canadian consulates. If we required it to be done, it would mean about \$2,500 in a single year. So I think that the department should make some representation to the American authorities whereby they could at least accept the oath of a notary public in Canada without having a man, let us say, from Mont Joli have to go to Quebec City, or a man from Sudbury run down to Ottawa.

We have to send the notarial certificate each time to the American consulate in Ottawa; and he looks at it and we have to pay \$2. So I think it is worth while to make representations because I feel that it is not only under the Patent Act but very likely under other Acts as well, that they do not accept the oath of a Canadian notary.—A. I am aware of this problem. I can remember when I was legitimately practising law in Montreal there was a good deal of difficulty in getting the American authorities to understand what a notary was. But we shall look into this matter and see if anything can be done.

The CHAIRMAN: We may have that in the form of a recommendation in our report. It would be difficult for Mr. Heeney to give an answer off hand.

The WITNESS: The number of Canadian consular offices in the United States which I gave was incorrect. We have consular offices at Washington; we have a consul in Boston; a consul-general in Chicago; a consul in Detroit; a consul-general in New York; an honorary consul in Portland, Maine; and a consul-general in San Francisco. In Los Angeles we have a Trade Commissioner who is able to perform certain consular functions; and at Seattle, Washington, we have an immigration officer who can answer certain consular inquiries.

*By Mr. Graydon:*

Q. Did you mention Chicago?—A. Yes, sir. There are seven proper.

Q. Who took Mr. Scully's place in New York?—A. Mr. Kenneth Greene.

The CHAIRMAN: Shall the item carry?

*By Mr. Fraser:*

Q. No. Are all the employees or agents of your department bonded under the government officers guarantee fund? The reason I ask that question is that the auditor-general's report, paragraph 65 on page 19, mentions the fact that an embezzlement occurred in the Canadian embassy at Paris; that the ascertained losses were \$4,420.24, and that the employee was not bonded. I wonder why this one was not.—A. I am advised that any officials of the department who handle finances are required to be bonded. I would like to make a short statement on this case.

Q. It is in the auditor-general's report.—A. I know. The circumstances surrounding this case, which is the case of one George Edward Swain were these: During a routine check of the accounts of the Canadian Embassy in Paris, in December 1948, it became apparent that certain bank statements sent from the Embassy in Paris did not correspond with the actual conditions of the bank account.

A complete investigation, conducted by the Chief Treasury Officer attached to the Department disclosed that false bank statements and false accounting returns were involved. Shortages were disclosed in both the official account and in certain other accounts run by the Embassy accountant to serve the needs of the staff in Paris, chiefly in connection with the purchase of supplies—food and other supplies, which were scarce in France at the time. The detailed investigation to establish the precise amount is still continuing in regard to these other accounts and the exact shortage of both accounts together has not yet been completely determined.

The \$4,420.24 mentioned by the auditor-general in his report has reference to the shortage in the official account, that is the departmental account, the Embassy account.

In the early stages of the investigation, George Edward Swain, an accounting clerk in the Embassy, admitted responsibility for the shortages, tendered his resignation and made a certain restitution of funds. Proceedings were instituted against Swain immediately in the French Courts. He was brought to trial in Paris and convicted of embezzlement. On July 15, 1949, Swain was sentenced to two years in prison and ordered to repay the deficit.

The department is, of course, doing everything possible to obtain restitution from Swain's assets but the extent to which this can be done has not yet been determined.

Perhaps in fairness to the individual I might say something about him and how he came to be employed by the Embassy. He was born in Quebec on August 28, 1925. He left Canada when he was five years of age with his family to settle in France. He first appears on the Embassy records in a purely temporary position for two months in 1945. His first continuing employment with the department dates from February 20, 1946, when he was taken on strength as a locally engaged clerk. He was later moved to assist in accounting work, and when the previous Clerk-accountant returned, he took charge of the work, and was therefore responsible for this restitution.

Our advice is that he performed brilliantly for the French underground during the war, was captured by the Germans and suffered grievously in various concentration camps. He received the Croix de Guerre from the French government for these services. The Department regrets that it became necessary to take action against an employee with such a courageous record in the resistance, but clearly it was our duty so to do.

*By Mr. Graydon:*

Q. I would like to ask the deputy minister who looks after our interests in Ceylon?—A. There is a representative of the Department of Trade and Commerce in Colombo. Our political interests would be looked after by the U.K. locally, or by the high commissioner in New Delhi who has a general purview, although he is not accredited formally to the Ceylonese government. I am sorry; I said there was a trade commissioner; I am not certain of that.

Q. In any event our interests are taken care of by one of the other far eastern high commissioners?—A. Yes, the one in New Delhi, the High Commissioner to India.

Q. I suppose Ceylon being small, and business not being very great, does not warrant a full fledged high commissioner?—A. Well, the department and



the minister have given consideration to that, and it is one of the places at which we may require to be represented in due course—it being a member of the Commonwealth and apart from our actual, potential, commercial and other interests in the island. Those are reasons which make a case, although not necessarily a final case, for representation there. This is one of the posts to which further consideration should be given.

Q. I take it full consideration ought to be given to representation in any unit of the commonwealth. In these days, it is rather important to have representation wherever we can use it. I took it for granted that perhaps business there was not as great as it was in some other parts of the world. However, it would seem to me that perhaps consideration ought to be given to this?—A. Yes, Mr. Chairman, the department would agree with that observation but whether it is possible, within the terms of the budget we have, remains to be seen.

Mr. STICK: What about Singapore? Have you anything there?

The WITNESS: In Singapore there is a trade commissioner; there is no diplomatic representative.

Mr. GRAYDON: I would like to ask about Nanking? How many Canadians are officially in the embassy at Nanking now?

The WITNESS: The officer in charge of the office in Nanking is a Mr. C. A. Ronning. We have a clerk by the name of Staines.

Mr. STICK: That is what the minister told us.

*By Mr. Graydon:*

Q. Are we getting any reports from Nanking to the department?—A. Yes, sir.

Q. They have not been interfered with?—A. The methods of communication are not as direct as they were at an earlier time.

Q. Are all of the countries still maintaining their embassies at Nanking?—A. I cannot answer for this month as to how many remain in Nanking, but there are a number which have remained and have not, as yet, at any rate, recognized the Peking government.

Mr. DICKEY: What is the status of our representative there?

The WITNESS: His status is somewhat anomalous. I used the expression "officer in charge" and not "chargé d'affaires" which is a rather fine distinction of some importance, I am advised by those who are expert in these matters. It is an anomalous position; Nanking is the former capital of nationalist China. It has of course no official status in the communist China regime.

Mr. RICHARD: He is a tenant on sufferance.

Mr. BATER: May I ask Mr. Heeney what we are doing in trade with China, at the present time?

The WITNESS: The minister made an answer to that at one of his first appearances before this committee.

Mr. STICK: The minister covered that ground also, and also the representative in Nanking.

The CHAIRMAN: Well, shall the item carry?

*By Mr. Fraser:*

Q. I want to ask Mr. Heeney about the increase in capital expense in Pakistan, Sweden, and Yugoslavia.—A. There is the item of \$64,200. We had not, in the former fiscal period, opened an office in Karachi, although \$10,000 was provided in the event that we could have established it in that period.

Q. What is this for, an office?—A. The \$64,200 is the estimate of what we will require to rent some premises for offices. The situation in Karachi is



exceedingly difficult. At the moment Mr. Johnson, our high commissioner, and his staff, are living and operating from hotel rooms. My recollection of figures is pretty bad, but certainly Karachi has grown up to four times since it became the capital of the new state. The housing situation is exceedingly difficult and the present situation of our high commissioner is wholly unsatisfactory. The only opportunities to purchase are at such high figures that we do not feel justified in putting them into better quarters.

Q. This is for rental?—A. Yes, sir. I am afraid it is a pretty rough estimate because conditions there are very hard to forecast.

You also asked about Sweden? There is an increase there from \$13,000 to \$31,000. That is for the equipping and furnishing of our legation in Sweden.

Q. Is that a new place, or was it not furnished before?—A. The furniture in that apartment—it is an apartment, and the office is immediately under the residence—was formerly rented from the lessee or owner of the apartment who withdrew it and we now have to acquire furniture ourselves.

Q. And the rent?—A. The rent would be included in the operational expenses.

Q. The other was Yugoslavia which is up to \$28,000?—A. \$28,000 as opposed to \$2,000.

Q. Yes?—A. Our minister in Belgrade, up until this fiscal period, had been living in a hotel. We were able to rent a residence in suburban Belgrade not very long ago and this is to provide for the furnishing and rental of those premises.

Q. Are there no blocked currencies in those countries?—A. There is blocked currency in Yugoslavia.

Mr. STICK: But the agreement on the blocked currencies did not take place until after these estimates were prepared?

The WITNESS: No, they came long after the preparation of this estimate. I doubt if there is very much in the way of furniture to be acquired in Belgrade.

*By Mr. Fraser:*

Q. It is possible that this \$28,000 may come out of the blocked currency?—A. I doubt if the whole of it will; some of the \$28,000 may come out of it—which would include rental.

Q. That is the operational part?—A. Yes, sir. I am reminded that there are also vehicles being sent there—a car for the minister and a station wagon for general purposes.

*By Mr. Graydon:*

Q. May I ask Mr. Heeney, out of the total number of high commissioners, ministers, and ambassadors, how many could be regarded as career men in the ordinary sense of the term as it is used, and how many are non-career men?—A. It is not a very precise term, as Mr. Graydon knows.

Q. No, but it is the best term that I know of at the moment.—A. It is the only term that I know.

I might perhaps run down the list and if I were to define the term for the purpose of my answer I would say that a career man was someone who has been in Government service prior to his appointment as the head of a mission.

In Argentina the ambassador is Mr. J. D. Kearney, who is not in that sense a career officer.

In Australia, there is General LaFleche. I do not know how I can answer but he has been in the public service, he has been a minister of the Crown, he has been a soldier; I do not know how to categorize him.

Mr. NOSEWORTHY: He is not a career diplomat.

The WITNESS: In Belgium we have Dr. Doré, who, as the committee knows, is going to Switzerland. He was in the public service in the province of Quebec and is not a career officer in that sense.

In Brazil we have Mr. J. S. Macdonald, a career man.

In Chile, we have Mr. C. S. Elliott, who comes from the public service and is in that sense a career man.

In China, and now going to Germany, we have Mr. Davis, non-career.

In Cuba we have Dr. E. H. Coleman, former under secretary of state, a career man.

In Czechoslovakia as chargé d'affaires we have Mr. J. A. Irwin at the time this list was prepared, and now it is to be Mr. E. B. Rogers.

In Denmark we have Dr. Laureys, retiring at the end of August, and who has held two other posts as head of a mission. He was an educationalist in Montreal—non-career.

In Finland, which is joint with Sweden, we have Mr. Stone—career.

In France, we have General Vanier—career.

In Germany we have General Pope, now going to Belgium, and I would say he is a career officer. He was first army, and then Department of External Affairs.

In Greece we have Mr. Magann—career.

In Iceland, Mr. Garland, who has served in a capacity other than head of a mission for a long time. I do not know what you call him—half and half.

Mr. GRAYDON: I would say progressive.

The WITNESS: In India there is Mr. Chipman—non-career.

In Ireland there is Mr. Justice Turgeon—non-career.

In Italy we have Mr. Desy—career.

In Japan we have Dr. Norman—career.

In Mexico we have Mr. Hébert—career.

In the Netherlands we have Mr. Dupuy—career.

In New Zealand we have Mr. Rive—career.

In Norway, and Iceland we have Mr. Garland

In Peru we have Mr. Strong, formerly with the Department of Trade and Commerce.

In Poland we have Mr. Kirkwood—career.

In Switzerland we have Mr. Renaud—career.

In Turkey, General Odlum—army.

In South Africa we have Mr. McGreer—career.

In the USSR we have Mr. Watkins—career.

In the United Kingdom we have Mr. Wilgress—career.

In the United States we have Mr. Wrong—career.

In Yugoslavia at the moment we have Mr. Vaillancourt—non-career.

I have not kept a box score on those.

The CHAIRMAN: Shall the item carry?

Carried.

Item 67—shall the item carry?

Carried.

Item 68?

*By Mr. Hansell:*

Q. Mr. Chairman, item 68 provides for hospitality in connection with visitors from abroad. It is an item of \$20,000 and the question I would like to ask is what about hospitality that is provided in various embassies and legations in other countries. I do not find an item for that?—A. That is paid by our head of mission abroad.

Q. Yes.—A. They pay that out of their allowances.

Q. I see there is no item in the estimates.—A. No, sir, the head of mission and other representatives of departments abroad are expected to give such hospitality as is appropriate from the allowances with which they are provided.

Q. You mean from their own salaries?—A. No, in addition to a salary all officers of the department are given allowances when they proceed abroad and from those allowances they are expected to pay these expenses.

Q. Are the allowances here?—A. Yes, sir, under representation abroad you will find the detail of the services on page 114; it is a large item.

The CHAIRMAN: Shall the item carry?

Carried.

I believe we have done a good evening's work. It is after ten o'clock now. You have all been very active and I believe we would be glad to adjourn now. I am not going to try to do anything about next week's meetings. I shall be away. But I believe we have notified Mr. Jutras and Mr. Eudes to make statements before our committee at our second meeting next week, which will likely be next Wednesday or Thursday. I will leave that matter in the hands of our vice-chairman.

Mr. STICK: Next week the defence committee will be meeting. I am on that committee and as that is going to be an important committee, you will have to excuse me.

Mr. GRAYDON: Might we not get a consensus of opinion as to when would be a suitable time for the first meeting next week?

The CHAIRMAN: Mr. Graydon wants to know when the committee should meet next week?

Mr. STICK: May I suggest Monday as a personal thing because I will not be available very much when the other committee meets?

The CHAIRMAN: If you could hold a meeting on Tuesday, it would help the committee quite a bit.

Mr. FRASER: Tuesday we have public accounts, I believe.

The CHAIRMAN: Then we will leave that to the vice-chairman.

Mr. GRAYDON: Is there any objection to holding a meeting on Monday?

The CHAIRMAN: It will have to be in the afternoon or evening because quite a number of members from the older sections of Quebec and Ontario are not here on Monday morning.

Mr. FRASER: How about Tuesday morning?

Mr. GRAYDON: Perhaps we could make it for 8 o'clock Monday night, that would be a compromise.

The CHAIRMAN: That will be fine. Thank you gentlemen. Monday night at 8 o'clock.

The committee adjourned.

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

MONDAY, MAY 22, 1950

Main Estimates of the Department of External Affairs—  
Items 69 to 72, 77 to 81, 83 and 84.

WITNESS

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs.



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Benidickson	<i>Rosemont</i> )	Noseworthy
Breithaupt	Fraser	Mutch
Campney	Gauthier ( <i>Lake St. John</i> )	Pearson
Coldwell	Gauthier ( <i>Portneuf</i> )	Picard
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<i>Matane</i> )	Green	Richard ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey	Leger	

*Clerk:* Antonio Plouffe.

## MINUTES OF PROCEEDINGS

MONDAY, May 22, 1950.

The Standing Committee on External Affairs met at 8 o'clock in the evening. Mr. Gordon Graydon, Vice-Chairman, presided.

*Present:* Messrs. Bater, Benidickson, Campney, Coldwell, Decore, Fleming, Goode, Graydon, Green, Hansell, Leger, Low, McCusker, Mutch, Stick.—(15)

*In attendance:* Messrs. Heeney, Moran, Hemsley and Tovell.

Mr. Heeney was called and completed answers to questions previously asked on:

1. The number of telephone calls, telegrams and teletypes at home and abroad, and their costs;
2. Sundries.

The witness gave a list of countries which do not require visas from Canadian travellers.

Mr. Heeney tabled a statement on temporary assistance in the Passport Office which was ordered printed. (*See appendix to this day's minutes of proceedings.*)

As requested, the witness read a statement relating to the preparation of Departmental estimates.

A detailed statement on expenses of delegates to International Conferences was taken as read and will be printed in the record.

Items 73 to 76 inclusive, in respect to United Nations were allowed to stand.

Item 82 was also allowed to stand and the decision to call an official of the International Joint Commission was again deferred.

The witness gave the number of repatriated and resettled refugees in various countries.

Mr. Heeney was questioned on security measures dealing with official communications.

The following items were approved:

Vote: 69—Relief of distressed Canadian citizens abroad, etc.

“ 70—Canadian representation at International Conferences.

“ 71—Canadian section of Canada-United States Permanent Joint Board on Defence, etc.

“ 72—Grant to United Nations Association in Canada.

“ 77—Commonwealth Communications Council.

“ 78—Commonwealth Economic Committee.

“ 79—Commonwealth Shipping Committee.

“ 80—Interallied Reparations Agency.

“ 81—International Civil Aviation Organization.

Vote: 83—Canada's share of an investigation on air pollution near Detroit and Windsor.

" 84—Canada's contribution to the International Refugee Organization.

The Vice-Chairman announced that the statements of Messrs. Eudes and Jutras which were to be made this week had been postponed until the week commencing May 29th.

At 10 o'clock, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

*Appendix*

## DEPARTMENT OF EXTERNAL AFFAIRS

## PASSPORT OFFICE—TEMPORARY STAFF

<i>Number</i>			<i>Amount</i>	
<i>1950-51</i>	<i>1949-50</i>		<i>1950-51</i>	<i>1949-50</i>
1	1	Administrative Officer, Grade 1	3,780	3,150
1	1	Principal Clerk	2,820	2,520
1	1	Clerk, Grade 4	2,475	2,235
3	3	Clerks, Grade 3		
		3 at 2,190	6,570	5,850
2	1	Stenographers, Grade 3		
		1 at \$2,280		
		1 at \$2,070	4,350	2,085
5	8	Clerks, Grade 2B		
		1 at \$2,040		
		1 at \$1,995		
		1 at \$1,965		
		2 at \$1,950	9,900	14,100
15	19	Clerks, Grade 2A		
		3 at \$1,860; 1 at \$1,755		
		1 at \$1,725; 7 at \$1,710		
		1 at \$1,590; 1 at \$1,560		
		1 at \$1,545	25,725	28,920
2	2	Stenographers, Grade 2B		
		2 at \$2,040	4,080	3,720
2	2	Stenographers, Grade 2A		
		2 at \$1,755	3,510	3,030
2	2	Typists, Grade 2B		
		2 at \$2,040	4,080	3,690
3	1	Typists, Grade 2A		
		1 at \$1,860		
		1 at \$1,725		
		1 at \$1,500	5,085	1,605
12	12	Clerks, Grade 1		
		7 at \$1,500		
		4 at \$1,185		
		1 at \$1,080	16,320	15,627
1		Stenographer, Grade 1	1,335	
6	4	Typists, Grade 1		
		1 at \$1,500		
		2 at \$1,290		
		3 at \$1,080	7,320	4,980
<hr/> 56	<hr/> 57		<hr/> 97,350	<hr/> 91,512





## EVIDENCE

HOUSE OF COMMONS,  
MONDAY, May 22, 1950.

The Standing Committee on External Affairs met this day at 8 p.m. The Vice Chairman, Mr. Gordon Graydon, presided.

The VICE-CHAIRMAN: Gentlemen, will you please come to order. The deputy minister has some answers to questions that were propounded at the last meeting and perhaps he should be given an opportunity to give them now.

**Mr. A. D. P. Heeney, Under Secretary of State for External Affairs, recalled:**

The WITNESS: Thank you, Mr. Chairman. The first answer is to a request of the vice-chairman. It is a breakdown of the number of telegrams sent within Canada and to points outside Canada; and a breakdown of the long distance telephone calls within Canada and to points outside Canada during the last fiscal period.

The number of telegrams sent within Canada, 649. The number of telegrams sent outside Canada, 15,737. The telegrams sent outside Canada include 6,215 teletype messages to New York and Washington. Those are on circuits that we hire. The statistics on telephone calls destroy any reputation I may have had to be able to give offhand answers. I was wrong insofar as telephones were concerned. The figures were: Within Canada, 1,512; outside of Canada, 723; so that more than twice as many long distance telephone calls were made within Canada as were made outside of Canada. Now, it has not been possible, at any rate in the time that we have had, to analyse or categorize the types of telephone calls that we make. My impression from speaking to officers within the department is that many of those domestic telephone calls are answers to inquiries from businessmen, persons travelling and so on, who phone from distant points and ask for replies, urgently sometimes, because they want a passport within a very short time, and sometimes because they want information concerning visas, sometimes because they want to make inquiries about exchange restrictions and so forth. There are other reasons for telephone calls as well from people who wish to know about trade opportunities, export arrangements and the like. But I am unable to give any breakdown of the type of inquiries these calls represent.

Mr. STICK: I wonder if Mr. Heeney could tell us the extent to which long distance telephone calls are reversed, or replies by long distance telephone are charged to the person to whom they are made. Is that being done, or can it be done?

The WITNESS: I think perhaps we could do that more than we do, and perhaps we should do it more than we do. We do not now make a practice of reversing charges. Sometimes an inquirer will ask that we call back and reverse the charges, but customarily we do not. Perhaps we should.

Mr. MUTCH: I suppose a great deal depends on who is calling and the type of the call.

Mr. FLEMING: I wonder if a good many of these people whose business is so urgent would be quite as free with their calls if you asked to have the charges

reversed; if they knew that they had to pay for it themselves? I imagine that in quite a few cases that people who make a long distance call for information of the kind you have described would rather expect that the charges would be reversed, at least on the reply if the reply were sent by long distance telephone. I do not think they would expect free special service of that kind.

The WITNESS: It is hard to know the answer to that, Mr. Chairman I don't know where you would make the division. I do feel sure that some would, if not resent it, at least be surprised. I think, perhaps, many would, on explanation at least, think that it was a reasonable thing. Our general practice has not been to attempt to charge back. It could be done.

Mr. FLEMING: Would you indicate what instructions are issued to the officers of the department?

The WITNESS: Yes, I am glad to be able to do that. We have on a number of occasions within the last eighteen months, to my own personal knowledge, issued injunctions to our officers both at home and abroad to make the most limited use of the telephone consistent with the efficient dispatch of business. We have given the same instructions to our officers abroad, particularly where they have service by teletype, as they have in New York and Washington. Within Canada where they can use telegrams or air mail communications we ask them to use them. These instructions are being well observed, considering the quantity of the business that we do within Canada in terms of inquiries and responses.

The VICE-CHAIRMAN: Do any of those people in Canada ever ask you to pay the charges collect when they call?

The WITNESS: I have never known that to happen, Mr. Chairman.

The VICE-CHAIRMAN: It has happened in some of the other departments.

*By Mr. Fraser:*

Q. I wonder if Mr. Heeney could tell us how many calls are received by the passport office?—A. No, but without hazarding a guess I would say quite a number.

Q. I would judge that in the passport branch of your department if an inquirer wanted information urgently they might very well say to him well, now we can give you that information immediately, much sooner than by mail, if you are prepared to pay the cost of a telephone call. Could that sort of thing be done?—A. We could do that.

Q. You might save a few dollars, and it seems to me that every dollar saved helps the taxpayer and the department in the long run.—A. We could do that. That has not been the practice but I would be glad to ask that a suggestion by the Committee to that effect be considered by the minister. But I suppose there is another angle to it, as far as the department is concerned, apart from the purely financial aspect an angle which is important; the department is jealous of its reputation. We like to be able to give a good and quick service to the public.

Mr. Low: If you were to do what Mr. Fraser has suggested it probably would have the effect of forcing quite a lot of people to resort to letters with a little better planning of time, planning ahead of time so as to make these inquiries by mail. If they were expecting to get a passport they would not wait until the very last minute. Perhaps it would have the effect of discouraging such general use of the long distance telephone.

The WITNESS: I can assure you, gentlemen, that in our department certainly we do not like to do anything which creates the impression that we are in any way reluctant to do for the taxpayers of the country everything in our power to meet their legitimate requirements.

Mr. Low: That is right.

The VICE-CHAIRMAN: There is another angle to it, the public relations of the department are involved.

The WITNESS: That is what I meant, Mr. Chairman, by using the term, "the reputation of the department".

Mr. FRASER: Then, Mr. Heeney, I wonder if you have the rest of the information for us.

The WITNESS: Oh yes, the total cost of the long distance telephones within Canada to the department last year was \$3,157.46.

Mr. FRASER: That is quite a bit.

Mr. Low: Do the department use code in sending their telegrams?

The WITNESS: Our communications with our own missions, Mr. Chairman, which are of a classified character—that is, restricted, confidential, secret, and so on—are all sent either in cipher or in code, code being the lower security arrangement and cipher the superior one. Our domestic telegrams are not sent in code or cipher because there is no deciphering arrangement at the other end.

Mr. Low: Would there be any advantage in sending them in code or cipher; would there be any saving?

The WITNESS: One could clearly use the ordinary commercial codes, and we have done that on some occasions, but not very many.

Mr. FLEMING: Have you the figures for the other three items?

The WITNESS: I beg your pardon, yes. The figure for domestic telegrams is \$1,058.80; for external telegrams \$40,683.11; for long distance telephone calls, domestic—I have already given the figure,—\$3,157.46; external or outside Canada telephone calls, \$2,422.03.

Mr. HANSELL: \$3,000 for domestic telephone calls? I don't think that is warranted.

Mr. FLEMING: It works out at \$2.10 for the average telephone call, and even your outside Canada calls, 723 at a cost of \$2,422—that is \$3 a piece.

The WITNESS: There is the odd trans-Atlantic call in that.

Now, the next question of which I have a note was the inquiry by Mr. Graydon for a breakdown of the \$20,000 regarding the item of "sundries". The committee will remember that I gave a breakdown under sundries and Mr. Graydon asked for some idea of what was charged or would be charged to the \$20,000 sub-item. All of the charges against this amount are items of equipment special to the department and which do not fall within the normal items of office equipment provided for elsewhere in our estimates. We charge against the new teletype equipment and the security safes that we have recently purchased and will be purchasing for our missions, and certain security cabinets with which we are having to equip offices which deal with classified material; also the cost of lumber we use at Ottawa for the shipping of supplies abroad—that I suppose would be crating.

Mr. FRASER: That would be used for furniture and things of that kind?

The WITNESS: Yes sir, supplies of all kinds.

Mr. BATER: I assume you are referring to that item of \$52,900 on page 4?

The WITNESS: To the sundries item; yes it is on page 4 in our breakdown, and I am now dealing with a breakdown of that \$20,000 item which Mr. Graydon asked for.

Mr. FLEMING: May I ask if you are satisfied with the security arrangements you found in the missions abroad which you saw?



The WITNESS: I think he would be a pretty rash person who would express himself as wholly satisfied with any security arrangements that I have ever seen anywhere. But I believe progress has been made, and I think that, having regard to necessary limitations, reasonable limitations of staff and the physical difficulties we have in getting suitable accommodation, the security arrangements in the missions that I have visited are reasonably adequate.

*By the Vice-Chairman:*

Q. Have you ever had any experience with the loss of important documents in other countries?—A. No, we have not. I am answering that carefully and in the terms of your question. The answer is “no!”.

*By Mr. Low:*

Q. You are very lucky!—A. Perhaps I should add a further word about this question of security. It is something which does and which we think should engage our attention a great deal.

At home and abroad we do handle—because of the nature of our business—a great deal of very secret material, some of which is, as it were, our own, of Canadian origin. There is also some material of other national origin; and we take steps which we think are proving to be reasonably adequate for the care and safe-keeping of documents and secret material that is committed to our custody. That is something which I am glad to be able to speak of to the committee because I wish to say that we are taking care.

*By Mr. Fleming:*

Q. Is that a factor in your plan to transfer missions from offices within office buildings to tenanted buildings?—A. Yes, that is a factor in connection with all premises used as office buildings. Space in office buildings does raise certain special problems which can be met but which sometimes require the expenditure of a little more money or possibly the hiring of another individual on the staff.

Now, the list of countries which do not require visas of Canadian travellers. Mr. Fraser wanted me to put that on the record. All Commonwealth countries and British colonies; the United States of America, when travellers are entering direct from Canada; Belgium, Cuba, Denmark, France, Haiti, Liechtenstein, Luxemburg, Monaco, The Netherlands, Norway, Sweden, and Switzerland.

*By Mr. Fraser:*

Q. They would be visas for a stay of not longer than six months?—A. I am not sure that the period is precisely the same in each case. I do not think it is. But it is for bona fide travellers.

A. The next question of which I have a note is a list of countries with which we have foreign exchange agreements—The countries of the British Commonwealth and Empire, plus Burma, Ireland, Iceland, and Iraq; Belgium, Denmark, France, Italy, Luxemburg, The Netherlands, Norway, Sweden, and Switzerland.

*By Mr. Fleming:*

Q. What do you mean by “exchange agreement”? Are these uniform agreements?—A. For travel purposes. No, they are not uniform. They really group themselves into three groups. The first of these includes the Commonwealth and the British colonies plus Burma, Ireland, Iceland, and Iraq, which are sterling area countries. With these—it is my impression—we have uniform agreements. I think that is correct.

Mr. MORAN: Yes; they are for more than just travel purposes.

*By Mr. Fraser:*

Q. These are for any purpose?—A. Yes, in this sense; for different purposes you obtain different amounts of exchange under different conditions. Then there are the so-called "special arrangement countries", which form the second group to which I referred—Belgium, Denmark, France, and so on. And then there is Switzerland, which is in a category by itself.

Q. Those are special foreign currency arrangements at a fixed rate of exchange? I believe I should not say "fixed rate", but the prevailing rate of exchange?—A. The prevailing rate at the time that the draft or cheque is drawn.

Q. That is right.—A. By the possessor.

Q. Or the travellers' cheque is cashed?—A. That is right, sir.

Q. I asked that question because of the fact that at the present time there are numbers of people contemplating trips over to Europe. I know that I have received a number of inquiries, and I think that other members have received them as well. So I thought it would be a good thing to have it on the record.—A. I should perhaps add that the Foreign Exchange Control Board will exchange Canadian currency for any of the above mentioned countries in any reasonable amount. In practice there are no restrictions placed on such transfers which are used for bona fide travel purposes.

The next question of which I have a note is a question by Mr. Noseworthy asking about the details of the temporaries in the Passport Office. Possibly it would suit the purposes of the committee if this information were to be placed in the records of the committee as was done in the case of the temporary employees in the department generally. The material is fairly lengthy.

The VICE-CHAIRMAN: Is it agreed that Mr. Heeney put this material on the record at this point?

(Temporary assistance in Passport Office—see Appendix to this day's minutes of proceedings.)

The WITNESS: Mr. McCusker asked in effect: how do we set our tariff for consular fees, and how does it compare with those of other countries?

The tariff of Canadian consular fees was established by Order in Council of October 25, 1949, upon the recommendation of my minister. The basis of the Canadian consular fees tariff is the closest approximation in Canadian dollars to the United Kingdom tariff of consular fees. This basis was adopted because for many years the United Kingdom consuls performed official consular acts for Canada; and in many countries where there is no Canadian representative they continue to do so. It is, therefore, appropriate and, indeed, almost necessary that the consular fees charged by the two services should be as nearly as possible the same.

The United Kingdom scale, as has been stated, is the basis of the Canadian scale. The Canadian consular fees are lower than those of the United States. Herewith, for the purposes of comparison, are certain items taken at random from the tariffs of consular fees of the two countries. Would the committee be interested in two or three examples?

*By Mr. Low:*

Q. Yes, we would be interested in having them.—A. Under the Canadian tariff a passport is valid for five years and costs \$5; under the United States tariff, a passport is valid for only two years and costs \$10. Upon renewal we charge, for another five years, \$2; while the United States, for a renewal, charge \$5. The United States renewal is for two years.

For a non-immigration visa we charge \$2, and the United States charge \$2. But for a visa for immigration purposes we do not charge anything, while the United States charge \$10. You will begin to think that we have bargain rates. I think that gives you some idea, Mr. Chairman.

The last item outstanding from the last meeting is a statement which I undertook to make concerning the departmental estimates. May I proceed with it now, Mr. Chairman?

The VICE-CHAIRMAN: Yes.

The WITNESS: Last Thursday evening I said that, at the next meeting of the committee I would make a short explanatory statement concerning the process by which our departmental estimates are prepared. It seemed to me that such a statement might be helpful to committee members in their examination of our financial proposals.

It is, I think, assumed by some that the method we employ in calculating the department's requirements for the next year is to take the total of the previous year's expenditures and add to that sum the amount we think parliament might be prepared to approve. Perhaps the very term "estimates" encourages this view for it does not in itself imply the measure of planning and the degree of accuracy that we must bring to our calculations.

Perhaps the best way for me to describe the methods we employ would be to trace the steps which have been followed in compiling the estimates for 1950-51 which the committee are now examining. I can assure you that these figures were not hastily thrown together just before the deadline set by Treasury Board for the submission of departmental estimates. The work on their preparation began in the department early last autumn. In fact, in October, 1949, we were attempting to forecast in detail what we would need all over the world a year, even eighteen months, later. Throughout 1949-50 members of our staff accumulated figures from which to develop a pattern of expenditure for our future guidance. But, by the date the current year's estimates were called for by Treasury Board, that is last October, only a six months' expenditure table could be produced. Of course the expenditure figures for half of the previous fiscal year did serve as a useful, if incomplete, guide. You can appreciate, however, that they had to be adjusted upward or downward in the light of such detailed predictions of the situation as we could make for the whole of the present fiscal year.

In the calculations leading to the production of the estimates before you the following steps were involved:

First, the financial officers of the department met with the personnel officers to determine the probable intake of staff for whom salaries would have to be provided in 1950-51, the likely number of promotions involving salary increases, the anticipated wastage from retirements, resignations, transfers, etc., and the planned postings for which moving expenses would have to be incurred.

Similarly, the financial officers met with the head of our supplies and properties section to ascertain the number of property purchases contemplated, the requirements for furniture and equipment, the replacement program for motor vehicles, and other capital items. They also had to examine the situation regarding leases on our various properties abroad—because where leases would terminate during the fiscal period we had to make allowance under prospective economic conditions for increased rentals on renewal.

Again, the financial officers discussed with our United Nations division the Canadian contributions to the United Nations Organization, to the specialized agencies and to other international bodies.

These elements in our estimates—salaries, routine capital items abroad, contributions to international bodies—even rentals—these all represent expenditures which can be calculated with some degree of accuracy. But there are also a number of imponderables.

When Mr. Pearson made his statement on the "one dollar" item he referred to four unknown factors which confronted us when we were attempting to calculate the amounts which might be spent under that vote in any twelve-month period. These unknown factors also exist in relation to many other items which appear in our departmental estimates.



In most countries in which we have missions there are, as in Canada, economists who study economic trends in their respective countries and who prepare forecasts of price levels for the coming months. In the normal course, unfortunately, this information is confidential and is not available to our representatives in the thirty-odd countries where we will be called upon to meet operating expenses with Canadian funds. Thus we are presented with the extremely difficult and complicated task of predicting, without expert local advice, fluctuations in the cost-of-living index of these countries—fluctuations which have a direct bearing not only on the allowances to be paid to members of our service, but also on our operating costs—for example for the maintenance of our vehicles, the cost of repairs and renovations to our buildings, the cost of supplies which have to be purchased locally and the salaries of locally engaged staff. I have already mentioned rental increases which we will have to meet in countries where our leases will expire..

Again, changes in exchange rates, to which I have referred at previous meetings, can seriously upset any estimate. The recent and pending revaluation of the Russian rouble will almost double our operating costs in Moscow. Thus, before the main estimates are approved, we are faced with the necessity of a \$100,000 supplementary estimate.

In the same way, and for the same reasons, it is extremely difficult to reach an accurate figure for purchases, rentals and other costs in those countries where we may have to open and operate new offices during the fiscal year.

Even our limited operations in Canada present some difficulties. Our passport office, for example, must have sufficient funds with which to purchase the number of passports which will be required by travelling Canadians during the twelve-month period. The estimates now before you cover nine months of the Holy Year and we have obtained as accurate estimates as are available on the number of Canadian pilgrims who will go to Rome in those months. As the printing of each passport costs the department 50 cents you will see that it makes considerable difference to our estimates whether we provide for sixty thousand or eighty thousand travelling Canadians.

All the information and advice which we can gather, is carefully considered so that our estimates may be as close to actual requirements as it is possible for us to make them. But, striking a proper balance between modesty and prudence is not simple. On the one hand, we are obviously reluctant to request of parliament more money than we feel certain that we will be called upon to spend. It is in the interest of the department that the appropriations which we seek from parliament should be as low as efficiency will allow. On the other hand, we would be subject to just and proper criticism if we made no provision for contingencies. You will appreciate our position if, because of an unfavourable exchange rate having been set in country X or because of a sharply rising cost-of-living index in country Y., we find we have insufficient funds to cover our operations—a position which can be met only by withdrawal of staff, curtailment of essential operations or the highly undesirable practice of requesting large supplementary estimates.

At an earlier meeting, one member of the committee suggested that if we miscalculated in our main estimates it is not a serious matter because we could cover the deficiency with a supplementary estimate. Up to a point that is true, but Treasury Board dislike and discourage supplementary estimates. Also our minister has indicated that he is prepared to sponsor a supplementary estimate only when the money is required to cover an emergency which could not be foreseen when our main estimates were being prepared. In addition, there are practical difficulties. Supplementaries can be presented to parliament only at certain periods. These may not coincide with the timing of an emergency requirement. Last year when the decision was made to establish the Allied High Commission for Germany in Bonn a scramble ensued for suitable living and



office premises in that city. Because funds were not available to us and because a supplementary estimate could not be approved in time we lost more than one opportunity in Bonn, with the result that our representative will have to be housed in Cologne.

So much for the method of calculation and the manner in which our figures are assembled. The next step is to submit them to Treasury Board for examination and scrutiny. This is a joint process in which our own officials and those of the Finance department go over the estimates in detail. Subsequently, the minister appears before Treasury Board itself to answer questions and to support our request for the moneys which are being sought for the department's purposes.

When the amounts under the various votes are finally agreed upon, the estimates are then prepared in printed form for submission to parliament and reference in the normal course to this committee.

This description of the procedure we follow will, I hope, indicate that we make every effort to produce realistic figures which good sense will justify. It will also point out some of the difficulties which confront us especially in relation to our expenditures abroad.

*By Mr. Fraser:*

Q. Mr. Chairman, could Mr. Heeney say if the Treasury Board has ever refused a request of the minister for funds for his department?—A. I do not know whether I am the one to answer that, Mr. Chairman—I would like to be able to tell the committee though.

Q. You just mentioned that you had to take your estimates to the Treasury Board and I just wondered if the Treasury Board had ever refused any of your requests?

MR. MUTCH: If they have not, then his minister has had a very unique experience.

THE WITNESS: I think it would not be improper for me to answer to this extent. As Mr. Mutch has indicated, it is the common experience of all departments that, when their draft proposals, go from the minister, over his signature to the Treasury Board, there will then begin this process of joint scrutiny. The general conception is that it is the job of the officials of Treasury Board to scrutinize. Their success, departmentally and professionally at the low official level, is perhaps judged very much by the extent to which they can get the figures lower than those the department asks for. That process does go on and I think it is a very salutary process. The amounts that emerge, and I think I am not revealing any secret here, are generally, in our experience, below those which are originally requested.

*By Mr. Stick:*

Q. Would it be fair to say, Mr. Heeney, that the Treasury Board has to estimate the over-all revenue available to carry on the government of the country for a year. If they estimate their over-all expenditure as \$2,400 million, they have got to keep within that figure, and they might therefore ask you and other departments to keep down below that figure?—A. Yes.

Q. Take public works for example. There might be recommendations from the different provinces which might run higher in one year than another. Treasury Board would examine them and say that they could not afford the amount requested. They would say their estimated revenue was so much and if the proposed expenditure was made there would be a deficit. They would say they would have to keep within the tax structure and in that way they would cut down on the different departments?—A. Mr. Chairman, that is of course the central fiscal function of the Treasury Board and the Minister of Finance—to relate expenditures to revenues.

*By Mr. Low:*

Q. Of what officials is the low official level of the Treasury Board composed?—A. The statutory secretary of the Treasury Board is the Deputy Minister of Finance. His own agent, for that particular function, is the assistant deputy minister of finance, Mr. R. B. Bryce. Mr. Bryce's organization consists of a number of officers working under his direction, who specialize on various departments with which they deal in relation to the estimates, as well as to current expenditures and requests for authorizations.

Q. The greater the amount of time spent in the scrutiny of the first draft—or drafts as there may be more than one—would be by the group headed by Mr. Bryce?—A. Yes, sir.

Q. And then it is only after that very careful scrutiny and perhaps several revisions, that the estimates are then sent on to the Treasury Board proper—that is to the ministers?—A. Yes, sir.

The VICE-CHAIRMAN: Are there any other questions on this, before Mr. Heeney continues?

*By Mr. Fraser:*

Q. Mr. Chairman, the reason I asked the question with regard to refusing moneys is that I believe Mr. Heeney started his statement by saying that they took last year's estimates and added to that the amount they thought parliament would provide?—A. I am sorry, sir; you seem to have missed what was perhaps a rather feeble attempt at humour on my part. That is just what we do NOT do. I was afraid that people thought we did.

Q. I just wondered what you meant when you said it?—A. To put it in an Irish way, I did not mean what I said.

*By Mr. Fleming:*

Q. You could satisfy a lot of curiosity if you would tell us how the estimates before us compare with the draft estimates?—A. I can assure you it is quite interesting.

Q. After the reductions made by the Treasury Board, were you satisfied that you could still carry on and meet the desires of the department in spite of the rulings of the Treasury Board?—A. Although I have before referred to this process between the Treasury Board and our officials as a salutary one, and I believe it is, I would not like to give you the idea that the Treasury Board officials are unreasonable and put us within limits that would make it impossible for us to carry on. I am satisfied myself, with the reservations that I have made, that in general, the amount of money which the department, or the minister on behalf of the department, is asking parliament to vote this year is adequate to carry on the contemplated scale of operations.

The VICE-CHAIRMAN: Are there any other questions? I think this is the last request that Mr. Heeney has written answers for. Those are all the questions from previous sittings, Mr. Heeney, I think that you propose to answer?

The WITNESS: Those are all that I have a note of, Mr. Chairman.

The VICE-CHAIRMAN: My record here indicates that we passed vote No. 68 at the last sitting. We are now on vote No. 69, to provide for relief of distressed Canadian citizens abroad, \$15,000.

Mr. FRASER: On this item, evidently you do not contemplate any change? The figures for this year are the same as last year.

The WITNESS: Yes, sir, it has been the same for some years now.

Mr. HANSELL: What did you spend on that last year?

Mr. FLEMING: It is here, \$8,797.

The WITNESS: \$8,797. This is bound to be an arbitrary figure to some extent, but we have found that usually \$15,000 just a little more than covers it.

Mr. FRASER: You might be called on to supply a larger amount if some country suddenly made a definite change in its currency, in other words, inflation, where a Canadian abroad might not then have enough money to pay the increased charges.

The WITNESS: Yes, Mr. Chairman, that is the kind of thing I was thinking of—unusual conditions like that.

Mr. MORAN: One significant point is that this money is recoverable, so there may have been an amount closer to \$15,000 paid out. Some distressed Canadians may have found themselves in a position later to repay, so that the total charge against the item, \$8,797, may not necessarily represent the full sum paid out in the twelve months period.

Mr. FRASER: You do not bill them for that amount?

Mr. MORAN: It is advanced to them on the understanding it is on a repayment basis, but sometimes a distressed Canadian in India turns out to be a distressed Canadian in Canada.

Mr. FLEMING: The figure of \$8,797, is a net figure for the year? How is that related to recoveries from previous years? There must be some carryover from year to year?

Mr. MORAN: Well, it is conceivable there could be. I do not know of any such cases.

Mr. HEMSLEY: There might be a recovery in this year against last year's disbursement.

Mr. FLEMING: Can you give us an idea how long these recoverable items are carried? You do not write it off, even if it is not paid, within the current year?

Mr. HEMSLEY: No, we would keep it on our books for a year, and correspond with the recipient.

*By Mr. Fleming:*

Q. Would you not keep it on your books for longer than one year?—

A. It would depend on the circumstances; I do not think the statute of limitations applies there. The same kind of criteria is used that I would use if I were trying to collect a debt for a client. It used to be my experience, and I think it is the same with people making collections now, that under certain circumstances, prospects of collecting were negligible. You relate the amounts to be collected, the circumstances and prospects of realizing; you then determine whether the amount of time and effort and expenditure required is justified by the prospect of getting a return. I would say that in these items we do use ordinary good business judgment and do not give up until the grounds for doing so are pretty sound.

Q. Have you ever sued for recovery of any of these amounts?—A. Not in my experience.

Q. Are they written off without carrying them to the point of suing?—A. They are not formally written off. They are not subject to the Statute of Limitations.

Q. Not against the crown, no.

Mr. MORAN: I think when this money is advanced it is evident that it is to a distressed individual and a suit would not bring much in the way of recovery.

Mr. FLEMING: I can appreciate that at the time of the advance, but I do not think every effort to recover should be given up within a period of a year or two, because that individual who received the money is going to seek to rehabilitate himself when he comes back to Canada.



The WITNESS: We do not "give up" easily. I can remember a case coming before us in the last six months when the responsible officer of the department asked for a decision whether we should continue with efforts to collect, and I thought, on the evidence of a very thick file and the amount involved, and the history of the individual, and other information available concerning his assets or likely assets, that the thing to do was to close the file, not write the debt off but to look at it later. But we do not lightly give up the prospect of recovery, I can assure you.

Mr. MUTCH: Would there not be a considerable number of persons apply for this relief under circumstances where it would be apparent at the time the loan was made that the chances of recovery were problematical? Anyhow, are they not all relatively small amounts?

The WITNESS: Yes, in some cases. These are relatively small amounts, Mr. Chairman, and sometimes it is almost evident at the time that the advance is made that recovery is most unlikely. However, recovery or the likelihood of recovery cannot be a governing element on which to base the decision to make the advance. Because it is our duty to repatriate, irrespective of the prospect of recovery at the time the advance is made.

*By Mr. Fleming:*

Q. Are these accounts in the hands of one particular official in the department?—A. These cases occur, of course in foreign countries.

Q. I am thinking more of the recovery side now. Are they channelled into the hands of one person who is in charge of recoveries?—A. The consular division is responsible for that, in consultation with the legal division.

Q. What is the total of outstanding sums advanced?—A. I would have to enquire about that. I do not think we have the figure here.

Q. You could get that without too much trouble?—A. Oh, yes.

Mr. HANSELL: What approximately would be the average amount in each case?

The WITNESS: I do not think that the average amount would be very significant. Advances cover in the first place the amount of the passage of the individual from the point at which he has got into this condition to Canadian shores.

The VICE-CHAIRMAN: Perhaps Mr. Hansell's question might be answered by the number that had been so relieved during the past year; that might interest him.

*By Mr. Mutch:*

Q. The majority would come from Europe, would they not?—A. I would not care to answer off hand. There have been some in the Far East; I have one in mind in India.

Q. I was thinking that the average should be something of the order of the fare from continental Europe.

Mr. Low: What is the average case of distress of this kind?

The WITNESS: I do not know, Mr. Chairman. The cases that have come to my notice have been cases of persons who have gone abroad without any actual prospect of finding employment, usually people who have not been very successful at home, and have gone to another country without the means to maintain themselves while they are looking for work. Some of these are sad cases of persons who have become habitually without work, unemployables.

*By Mr. Stick:*

Q. Does that also provide for shipwrecked sailors who have lost their personal effects? Do they go to the consular agent or the mission to get fitted



out with clothing and money and a passage home and that sort of thing?—A. That comes under a special statutory provision. As the members no doubt all know, the provision of relief for distressed seamen who have been shipwrecked, is made under the Merchant Shipping Act. This does not impinge upon that at all.

Q. That does not come under this?—A. No sir.

Q. But they require to go to the consular office in any event?—A. Yes, they do. They are provided relief out of the sick mariners fund under the Merchant Shipping Act.

Q. The reason I asked that is that we have quite a number of seamen who experience shipwreck and get relief in that form and I was wondering whether they were taken care of under this or whether they came under the Merchant Shipping Act. I know they have to go to the consular official for assistance.—

A. That is right, sir. The consular officials look after shipwrecked seamen under the Merchant Shipping Act; at least, the British consular officials look after that on our behalf.

Mr. BATER: In connection with the distressed Canadians I take it for granted that these people are every time people who are and possibly will be for some time simply and purely indigents?—A. That is right, sir.

The VICE-CHAIRMAN: Shall the item carry?

Carried.

Item 70: Canadian Representation at International Conferences.

*By Mr. Fraser:*

Q. Now, Mr. Chairman, this will cover the minister representing the government—the minister and other delegates for Canada?—A. Yes, Mr. Chairman, the minister and all the delegates of Canada to international conferences. Members of any Canadian delegation.

Q. Even if they didn't belong to the department as long as they were delegated they would come under this item; this would cover it?—A. Yes, sir.

Q. Where is that shown, United Nations?—A. They appear at the back of the annual report, appendix "B", which gives the names of those who represented Canada at international conferences.

Q. And that would show the costs also?—A. No sir, that does not give the costs. I can give you the cost. I have it in two ways here, one is a summary and the other is a more detailed breakdown. I might perhaps give the committee the former first and then, if the committee wish to have further detail, I could make reference to the more detailed schedule that I have in front of me. For the main organs of the United Nations—first of all, the General Assembly, which was charged to this vote, last year—I am just giving the round figures—\$72,000. Second, the Economic and Social Council which was charged to this vote, \$5,600 odd. Third, the meeting of the United Nations International Children's Emergency Fund, \$1,400. Fourth, the meeting in connection with the General Agreement on Tariffs and Trade, charged to this vote, \$43,700. Now, with respect to specialized agencies of the United Nations: some of the delegations to the specialized agencies are related more directly to other departments of government than to the Department of External Affairs. So far as External Affairs is concerned, and this vote in particular—the delegations to International Monetary Fund, \$3,200; the United Nations Educational, Scientific and Cultural Organization, charged to this vote, \$3,000; the International Civil Aviation Organization, \$3,900.

This item makes a total for the United Nations and its specialized agencies charged to this vote of \$135,700. In addition to these United Nations conferences there have been a considerable number of other conferences the delegation

expenses for which had to be paid for from this vote. Now, Mr. Chairman, if you want the more detailed statement for the purposes of the record, we can supply it to you; or, do you wish me to read it?

Mr. FRASER: I suggest, Mr. Chairman, that it be put on the record.

The WITNESS: Now, Mr. Chairman, we have the North Atlantic Organization Meetings, the Red Cross Conference at Geneva, Commonwealth Conferences of various kinds, and quite a number of others; but the principal large delegations and those at meetings that last for any length of time, are the United Nations ones.

The VICE-CHAIRMAN: Shall the item carry?

*By Mr. Hansell:*

Q. No. Just one moment. In connection with the breakdown there of the item under tariff and trade and so on, \$43,700 it occurred to me that it might indicate that there is an overlapping there with the Department of External Affairs and the Department of Trade and Commerce. What justification is there for this item in relation to External Affairs?—A. The delegations to these various conferences which I have mentioned are by no means confined to members of the Department of External Affairs. The particular series of meetings to which the member is referring, having to do with General Agreement on Tariffs and Trade, were attended on Canada's behalf by delegations composed of officials from the Department of Trade and Commerce, Finance and External Affairs.

Q. This would be your portion of it?—A. No; this is the whole expenditure, but it happens to be charged to our vote.

Q. You have to have it somewhere.—A. That is right. We are responsible for the administration and other arrangements for Canadians attending.

The VICE-CHAIRMAN: Does the item carry?

Carried.

Next item 71, "Canadian Section of Canada-United States Permanent Joint Board on Defence including salary of \$7,500 for the Chairman, notwithstanding anything contained in the Civil Service Act."

*By Mr. Fraser:*

Q. Why is there an increase?—A. The principal item of this has to do with the salary for the Canadian Chairman, \$7,500. It is in effect the element in the remuneration of General McNaughton, which is charged to this organization.

*By Mr. Coldwell:*

Q. Is he still the chairman?—A. Yes.

Q. Does the chairmanship not alter year by year?—A. No. They are co-equal. There are two chairmen, one from the United States side and one from the Canadian side.

Q. It does not give his salary?—A. No. Previously General McNaughton was remunerated as Canadian representative on the U.N. Security Council in New York. But we have ceased to be a member of the Security Council. General McNaughton left that post in January. He was then appointed a member of the International Joint Commission and he retained his chairmanship of the Canadian Section of the Canada-United States Permanent Joint Board on Defence.

Q. He was performing that work last year under the salary which he got for his position in the United Nations?—A. Yes sir.

*By Mr. Coldwell:*

Q. He received only the one salary?—A. He receives now a total salary in the two capacities which is the same as he received formerly in the one capacity.

The VICE-CHAIRMAN: Shall the item carry?

Carried.

*By Mr. Low:*

Q. He had been retired from the Army during the time he was employed by the government?—A. Yes, sir.

The VICE-CHAIRMAN: Does the item carry?

Carried.

The next item 72 "Grant to United Nations Association in Canada \$10,000".

*By Mr. Fraser:*

Q. This is up by \$5,000 too, this year?—A. Yes, sir.

*By Mr. Bater:*

Q. Is the United Nations Association in Canada connected in any way with the Peace Conference that was going on a few days ago in this country?—A. None whatever, Mr. Chairman.

*By Mr. Fraser:*

Q. Might I ask if this new grant includes the monthly bulletin of External Affairs for these different societies, or do they pay for it?—A. They pay for it. But I think as I explained to the committee last year we made a special rate for them for the bulletin. We did make a special rate during the last fiscal year when their grant was \$5,000. This was a student rate, as we called it, to the members of the United Nations Association, and it was a rate somewhat less than cost.

*By Mr. Stick:*

Q. Did not the committee last fall when we examined the item take into consideration the fact that this association should be expanded in Canada, and that was the reason for the particular vote?—A. I suppose it is not for me to assess the reasons why these things are increased. I think it would be fair to say, however, that this committee had a good deal to do with increasing it.

Q. I think it was recommended at our committee meeting last fall that it be expanded, and this was the reason for it.

The VICE-CHAIRMAN: Shall the item carry?

*By Mr. Benidickson:*

Q. Has the society filed any evidence with the department as to its relative growth during the course of the year?—A. If they have not filed any formal indication or return of their membership, I am practically certain that their membership figures are available in the department, because the relationship between the department and the association is quite an intimate one.

Q. Do you know if the number of those paying dues into the society is larger or smaller than it was a year ago?—A. I am afraid I would have to look into that.

*By Mr. Hansell:*

Q. Would it be a fair question to ask what the total budget of this organization is? Does Mr. Heeney know that?—A. I am afraid I could not say off hand. The figures have been shown to me in connection with their request for a grant,



in supporting their request, and in asking advice from the department. They gave them quite frankly, and they showed us all their figures. But I am afraid I do not carry them in my head.

The VICE-CHAIRMAN: Shall the item carry?

Carried.

*By Mr. Fraser:*

Q. Could Mr. Heeney tell us what the increased distribution of the Monthly Bulletin "The United Nations Organization" is?—A. The bulletin "External Affairs", the monthly to which the member is I think referring has been going out to the members of the United Nations Society since publication was first established.

Q. Can you tell us what the increase was during 1949?—A. I am afraid I have not got that figure here. I have the total circulation figure, but it is not broken down.

Q. If you have the totals, have you got the totals then for 1948 and for 1949?—A. It was only established in 1949.

Q. Did you not have a bulletin before then?—A. Not in the present form.

Q. Not in the present form; but did you not have a bulletin?—A. You are going back before my time. I do not think there was one in the department of this character at all. I am informed that the bulletin just had its first anniversary a short time ago. There was one put out by the Society.

*By Mr. Bater:*

Q. Is this Canadian branch a member of a world organization?—A. Yes; in fact it is. Branches of this association exist in most of the countries which are members of the United Nations. I do not know what the situation is in the Soviet and Satellite states; I have never heard of United Nations Associations there!

*By Mr. Hansell:*

Q. Of course it is a purely voluntary society?—A. That is right, a purely voluntary society.

The VICE-CHAIRMAN: Shall the item carry?

Carried.

If the committee is agreeable, perhaps we might let item 73 "United Nations Organization Specialized Agencies" stand for the reason the chairman advanced at the last meeting of the committee, that we are to hear two of our Members of Parliament, Mr. Jutras and Mr. Eudes, who represented the government at the United Nations Organization at the last meeting they held. So perhaps we ought to hear from them first. I think arrangements have been reasonably well completed so that they will appear before the committee at the next meeting, whenever it may be held this week; and if the committee is agreeable, we might leave that over rather than to have it partially discussed at this time. So we shall let vote No. 73, and vote No. 74, "Food and Agricultural Organization of the United Nations, \$226,600" stand. Gentlemen, perhaps we might, with your consent, allow these specialized agencies of the United Nations Organizations stand as well because it may be that the two members mentioned may have something to say on this subject. So if you are agreeable we shall let votes No. 73, 74, 75 and 76 stand, and then proceed with vote No. 77 "Commonwealth Organizations—Commonwealth Communications Council, \$6,006."

The next item is the Commonwealth Economic Committee, \$17,300.

Carried.



Item No. 79 gives the Commonwealth Shipping Committee, \$1,050. Does the item carry?

Carried.

The next item is the Inter-Allied Reparations Agency.

*By Mr. Fraser:*

Q. Is that a new one?—A. Mr. Chairman, it is a new one in the sense that last year we did not ask for money under this head, but that is the only sense in which it is new. It is an agency which was set up after the war to deal with not so much the dismantling process of German industry, but the distribution of the proceeds of the dismantling. It sits in Brussels and has a Canadian representative upon it.

Q. Who is the representative?—A. The Canadian ambassador in Brussels, who is normally represented by the First Secretary of the Embassy.

Q. This makes \$8,760 for membership expenses, or what?—A. It is our share of the administrative budget of the agency.

The VICE-CHAIRMAN: Shall the item carry?

Carried.

The WITNESS: The next item is No. 81, International Civil Aviation Organization, \$63,927.

Mr. STICK: What is that exactly? Has it to do with Gander for instance. I come from that way and I am interested.

The WITNESS: The International Civil Aviation Organization is an international organization which is interested in the improvement of air communication between the countries which compose it. They have to do with air standards, with standards of travel and accommodation, and that kind of thing.

*By Mr. Stick:*

Q. Have they to do with international agreements regarding landing in Canada?—A. No, sir; the answer to that is no.

Q. Where is their headquarters?—A. In Montreal.

*By Mr. Fraser:*

Q. This new United States defence zone is set up over the Great Lakes and Canada and they have put in radar. Would that affect this organization or their operations? They have put in radar down the St. Lawrence river from Montreal to Quebec city for protective service. Would that affect civil planes?—A. I am informed that as the United States and Canada are both members of this organization, they would have to be notified in connection with arrangements for the flight of planes, or travel, on the routes that would be affected.

Q. And any plane would have to notify this organization if they were flying to the States, as would American planes flying to Canada?—A. Mr. Chairman, I do not think that is the case. This is a defence arrangement, is it, to which Mr. Fraser has referred?

Mr. FRASER: Yes, but it affects civil aviation because they cannot fly across the border as they did before, without first notifying the American authorities.

Mr. MORAN: ICAO, is not a body which interferes with the domestic civil aviation arrangements of any country. It is an organization that drafts international rules that will be observed by the member countries, and requirements of the kind introduced by the United States would not need the sanction of ICAO because it is a purely domestic matter. The U.S. would file their plans and arrangements with the organization, so that they could be available to carriers of other countries.

Mr. STICK: Would an American company which wished to get a franchise to fly to Europe, and land in Gander or Shannon, have to apply to this agency?

Mr. MORAN: No, this organization does not have anything to do with domestic administration in civil aviation matters. That rests solely with the appropriate administrative body, which in the case of Canada is the Air Transport Board, and in the case of the United States it is the Civil Aeronautic Board.

The VICE-CHAIRMAN: Is the item carried?

Carried.

The next item is a Statutory Annuity to Mrs. Helen Young Roy.

Mr. BATER: Is that lady a widow of a diplomat?

The WITNESS: She is the widow of a former Canadian representative in Paris.

The VICE-CHAIRMAN: Is the item carried?

Carried.

Now, with regard to the International Joint Commission items, they include a statutory sum of \$75,000 for salaries and expenses of the commission, and also estimate Nos. 82 and 83. If the committee will remember there was a question raised at the previous meeting about calling a member of the International Joint Commission in view of the Red River disaster. There was no decision made in connection with that, although I think one of those who was most assertive on the point was Mr. Croll, who is not here tonight. I wonder if we should not let these items stand and decide later on what should be done?

Mr. LEGER: I think we should proceed with these.

The VICE-CHAIRMAN: I am in the hands of the committee with respect to it.

Mr. MUTCH: I do not know the extent of the discussion on that matter, but it seems to me if the officials of that commission are not busy completing their recommendations at the present time, they should be. It is rather important to know what the situation is and I oppose anything which will interfere with their deliberations at the moment. The heat is on and I hope we get a decision from them.

The VICE-CHAIRMAN: I am in the hands of the committee.

Mr. CAMPNEY: I agree with that. I think the situation is international and is also very acute. It would be very doubtful if it would be wise that they should appear before us before they have made their report.

Mr. MUTCH: It is a rather tender subject as far as I am concerned. I, probably more than any other individual member, am affected by the present floods in Winnipeg, and from purely personal reasons I should be as interested as anyone to get the maximum amount of information. I am inclined to think at the moment that the important thing for those people to do is to get cracking on the recommendations. They have had this matter before them for some time and it has been publicly announced both by this government and the American government that it is a matter of urgency and that a recommendation should be made. I am afraid it would be urged against us that we had some responsibility for the delay if we called them now.

Mr. Low: I wonder if it would not speed them up to have them here.

Mr. COLDWELL: The question arises in our minds that in 1948 there was a flood, and now two years later we have a worse flood, and as far as we know nothing has been done.

Mr. MUTCH: I do not think that is right in all fairness. I certainly am as impatient as anyone, but I do not think the fact we have not had a report is an indication of inactivity, although it certainly indicates some leisure, which is unfortunately not uncommon with these things.

Mr. COLDWELL: I agree with Mr. Mutch; I do not want to interfere with what they are doing now.

Mr. MUTCH: I would like to keep a string on them until we get the report.

Mr. LOW: What I am trying to weigh in my mind is whether two hours spent here before this committee, by some member of this commission, would delay the recommendation.

Mr. HANSELL: Was not Mr. Jutras anxious to have somebody?

The VICE-CHAIRMAN: Mr. Jutras took a rather important part in the discussion with respect to it but I am unable to recall whether he asked for anyone from the commission to appear.

Mr. HANSELL: I think it was then decided that we better have a representative.

Mr. LEGER: There was no decision.

Mr. FRASER: I believe the records will show that I was one of the ones who was asked for a member of the commission to be brought here; Mr. Jutras did also.

Mr. CAMPNEY: If these members of the commission are presently engaged in preparing a report and are under pressure, would it not be embarrassing for them to have to be here answering questions. That, it seems to me, is not their purpose now, and it might delay their proceedings.

Mr. STICK: May I ask who the Canadian representatives are?

The WITNESS: The membership of the commission are as follows: there are three United States members and three Canadian members. The Canadian members are: Mr. Glen; General McNaughton; and Mr. Spence.

Mr. MUTCH: I think there is some division of opinion and some honest uncertainty I am sure. I think we might take the chairman's view and let this stand until the next meeting. I would rather not make a decision at this moment. I lean one way, of course, but I do not want to be dogmatic about it.

Mr. FRASER: There is another angle to it. It would not take long for the chairman or secretary to find out if the commission is sitting, and, if it is not sitting, there is no reason why we should not have someone from it before us.

Mr. STICK: Did not the chairman say a couple of weeks ago that he would look into it and see what could be done?

The VICE-CHAIRMAN: He did not leave any instructions with me.

Mr. MUTCH: Let it stand until another meeting.

The VICE-CHAIRMAN: Is it agreed that No. 82 shall stand?

Agreed.

The VICE-CHAIRMAN: 83 provides for Canada's share of an investigation in the matter of air pollution in the vicinity of Detroit and Windsor—\$40,000.

Mr. STICK: What is the explanation?

The WITNESS: A number of experts were appointed by the International Joint Commission and have been working on this problem of smoke pollution in these areas since April of 1949. The investigation board was to submit a report to the commission at its April meeting.

Certain vessels ply the waters of the Detroit river and create this situation. The \$40,000 is for the payment of staff, clerical and expert, engaged by the board set up by the International Joint Commission.

Mr. COLDWELL: Is it because of smoke from ships?

The WITNESS: Yes.



*By Mr. Stick:*

Q. Is that a permanent board, or what?—A. That is the normal way for the International Joint Commission to appoint a body of clerks and experts to investigate the subject and then give their technical data to the International Joint Commission—upon which information the commission deliberates.

Q. How long have they been set up?—A. Since April of 1949—a little over a year ago.

Q. They have not yet sent in a report?—A. Well, I am a little bit out of date and it may be that their report has gone to the commission.

Q. I just came back from Windsor last week and the smoke is certainly still there—there is no doubt about that.

Mr. BENIDICKSON: What was expended under the item last year?

The WITNESS: It was \$33,000 last year

Mr. BENIDICKSON: It was \$33,000 in the estimates, but can you tell me whether they spent that amount?

The WITNESS: No, sir, I have not got the figure; I would have to get it from the commission.

The VICE-CHAIRMAN: Shall the item carry?

Carried.

Item No. 84 provides for a Canadian government contribution of \$2,108,070 to the International Refugee Organization.

The WITNESS: I can give the figure which Mr. Benidickson asked for a moment ago. It was \$10,266.61.

Mr. BENIDICKSON: Does that indicate that they are not working very hard—something like the flood situation?

The WITNESS: I do not know whether that is a fair inference.

Mr. FRASER: They are likely working as hard as they are here.

Mr. LOW: I just wondered about Hull.

The VICE-CHAIRMAN: May I point out to the members that the item has already been carried. We are now on No. 84.

Mr. FRASER: I would like to ask Mr. Heeney if the Canadian decision is the same as that of the United States. The United States bluntly told the members of the International Refugee Organization that there would be no more money given to them after March of 1951. Now what has Canada done? The statement I refer to was made in the *New York Times* on March 21.

The WITNESS: No decision has yet been taken as to how the needs are going to be cared for when I.R.O. comes to an end. That is presently under discussion but I do not suppose, Mr. Chairman, that it would be proper for me to say what the instructions are to Canadian representatives. There have been quite strong arguments put forward on the two sides—one that the organization should continue as the most appropriate means of meeting what might almost in all countries be regarded as a continuing serious problem; and on the other hand, it is argued that the stage has now come when the needs of children might well be dealt with through other specialized agencies—rather than being separated as a special task requiring a special organization of these proportions.

Mr. STICK: This item is what we are committed to for the coming year?

The WITNESS: Yes, that is correct.

Mr. COLDWELL: Do you know how many persons are still in refugee camps in European countries?

The WITNESS: The last estimate we have of the numbers that will be left at the end of June, 1950, is 292,000.

Mr. FRASER: That would include, of course, children also?



The WITNESS: Yes, there would be children with the displaced persons in the camp.

Mr. STICK: But there are children apart from that?

The WITNESS: Yes, I am afraid I was speaking in part about the International Children's Emergency Fund.

Mr. FRASER: But this is the International Refugee Organization, and this is what the United States plainly said they would not carry on after March, 1951.

Mr. BENEDICKSON: I have forgotten how that compares with a year ago. Have you any figures, Mr. Heeney?

The WITNESS: Yes, I have some figures here on the way those numbers have gone down. I might perhaps just make this statement which puts the thing rather in perspective. The International Refugee Organization, as the committee members are aware, was created late in 1946 and began its operations on July 1, 1947. On that date the total number of refugees receiving care and maintenance in I.R.O. camps was 719,588; at the end of February, 1950, the number had decreased to 292,809. In addition I.R.O. is providing legal or political protection, resettlement or repatriation services to other refugees registered but not receiving care and maintenance. The number of these was estimated at from 400,000 to 500,000 on July 1, 1947, but as of February, 1950, it had decreased to 285,410, of which twenty-four per cent were still to be interviewed and classified.

The figures of refugees repatriated by I.R.O. between July 1, 1947, its effective commencement of operations, and February 28th, 1950, are as follows: (I will give you them, if the committee is interested by countries)

Poland .....	36,942
Overseas Chinese .....	10,258
Yugoslavia .....	6,127
Baltic Countries .....	3,096
United States .....	2,152
Austria .....	2,138
U.S.S.R. ....	1,673
Hungary .....	1,506
Germany .....	1,199
Other Countries .....	3,838

The figures of refugees resettled by I.R.O. between these two dates are as follows, by countries of resettlement (that is the places to which the refugees were sent):

to the United States .....	160,407
to Australia .....	124,501
to Israel .....	117,306
to the United Kingdom .....	83,147
to Canada .....	80,642
to France .....	36,999
to Argentina .....	28,213
to Brazil .....	23,422
to Belgium .....	22,260
to Venezuela .....	13,351
to other countries .....	33,197

I have not totalled these figures.

*By Mr. Coldwell:*

Q. But there are still nearly 300,000 left in camps receiving care and maintenance; that means they are in the various camps, and there are quite a number who are not receiving care and maintenance but who are refugees living with various people in Germany.—A. Yes, and living on the economy of Germany.

Q. What is going to happen to this residue of refugees? Has there been any discussion of that on the part of the nations concerned up to the present time? We have taken the physically fit, and there is this residue. It seems to me that something has to be done by these countries.—A. That is the problem of what is known as “the hard core”. Many of them are, one should not perhaps use the word unseizable, but it means almost that in many cases. I can refer the committee to the publication “Canada and the United States 1949” at page 150.

It deals with this situation: although it does not bring it precisely up to date, I may say that this matter is the subject of quite anxious international deliberation in which we are taking some part. Could I just read a passage from page 150?

Apart from physical assistance in the way of repatriation and resettlement, and care and maintenance while awaiting re-establishment, refugees are frequently in need of legal protection because of their inability to obtain such services from a national authority. Some form of international protection for refugees and stateless persons has been in existence since the early years of the League of Nations and the problem has been under consideration by the United Nations since March 1948. The expected termination of the IRO makes it essential for steps to be taken to provide legal protection under the United Nations for refugees and stateless persons. In recognition of this need, the Secretary-General, at the request of the Economic and Social Council, presented to the Fourth Session of the General Assembly a recommendation for the establishment of a High Commissioner's Office for Refugees.

This is not on the precise point; it covers almost a comparable number to whom Mr. Coldwell referred as having protection but not relying for subsistence upon the relief provided by our I.R.O.

Running through the Assembly debates was a steady stream of charges by the Communist delegations that Western countries were capitalizing on the plight of the refugees by recruiting them as a source of cheap labour, and the IRO itself was vigorously attacked as being the tool of Western imperialists. The Soviet states, alleging that the refugee problem is an artificial one created and prolonged by capitalist countries, and that the only solution is immediate repatriation of every displaced person, strongly opposed the establishment of a permanent refugee organization within the United Nations. The member countries of IRO were, of course, in favour of placing the responsibility with the United Nations. The Canadian Delegate, speaking on the item in the Third (Social) Committee, emphasized that the problem of refugees is international in scope and that the principle of universal responsibility should be recognized.

Under the terms of the resolution approved by the Assembly, persons coming within the authority of the High Commissioner shall be for the time being refugees and displaced persons as defined in the IRO Constitution, and thereafter such persons as may be determined from time to time by the General Assembly. The primary function of the High Commissioner will be legal protection of refugees, but he will be empowered to distribute among private or official agencies any funds, public or private, which he may receive for this purpose.

The General Assembly, on December 3, approved the resolution establishing a High Commissioner's Office for Refugees, to come into operation on January 1, 1951. In addition, the Assembly has requested the Secretary-General to prepare a detailed plan for the organization of the new office. The plan will be circulated to governments, discussed at the Eleventh Session of the Economic and Social Council in July 1950, and considered again by the General Assembly at its Fifth Session in the

autumn of 1950. At that stage, the Assembly will consider ECOSOC's recommendation for a definition of the term "refugee", and will examine further the problem of material assistance for refugees.

So far there has been no decision taken on this, but it is one of the questions the Economic and Social Council will have before it when it meets in July.

Q. I think one of the significant sets of figures Mr. Heeney has given is that of the number of refugees who have returned to their countries of origin. After all, when this particular chapter was written the Soviets and their friends used every effort to try to get the thing so worded that every possible opportunity would be taken to repatriate these people as soon as conditions in those countries were normal. They had in view returning them to their countries of origin.

Mr. Low: Would the figure which you gave us, the 290,000 odd, be the net, or would that include the replacements who are coming in all the time? Is the figure likely to remain at that or is it likely to increase?

The WITNESS: Oh, no sir, I don't think so; that 292,000 figure does represent a very material reduction even within the last year. They generally are becoming more and more difficult to resettle as you get down towards those who, because of illness or physical defect or mental defect are unacceptable to a great many countries.

Mr. Low: But when you get down to that hard core, would you not think that it would be increased with the new ones showing up?

The WITNESS: I would not think that the natural increase has yet caught up with that.

Mr. STICK: And there is this to it also, that a lot of these people don't want to be resettled.

The VICE-CHAIRMAN: Shall the item carry?

Mr. FRASER: No, Mr. Chairman. I believe that Mr. Heeney mentioned a figure of the number of United States citizens who have been taken back to that country.

The WITNESS: Yes, the number repatriated to the United States was 2,152. Those would be citizens of the United States caught in the welter and repatriated through the I.R.O.

Mr. COLDWELL: Were there any Canadians among them?

The WITNESS: They are not in the figures I gave you, but there may have been some in the miscellaneous groups under "other countries" which total 3,800.

Mr. BENIDICKSON: Are there as many contributing countries in the I.R.O. as there were a year ago?

The WITNESS: I have to check up on that. I will try and have that for you at the next meeting.

The VICE-CHAIRMAN: Shall section 84 carry?

Carried.

—Now, we have standing the following items: No. 73, 74, 75 and 76—the statutory salaries and expenses of the International Joint Commission—and No. 82. Now the chairman will be back next week, and I have just had word from Mr. Jutras that he understood he was to appear before the committee not on Thursday of this week but at the beginning of next week, and perhaps in view of that it will not be possible or perhaps advisable to have another meeting of External Affairs this week, and we could meet again at the beginning of next week when the chairman returns to hear Mr. Jutras and Mr. Eudes, if that meets the wishes of the members who are here tonight.

Some Hon. MEMBERS: Agreed.

Mr. FRASER: Just before you adjourn, Mr. Chairman, I would like to ask Mr. Heeney about the motor vehicles he referred to as being used by the department here in Ottawa; would they be station wagons?

The WITNESS: No, they are the ordinary 1½-ton panel trucks.

The VICE-CHAIRMAN: Gentlemen, may I thank you for the very substantial progress you have made tonight.

The committee adjourned.









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External Affairs  
Committee on 1250

(SESSION 1950

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

TUESDAY, MAY 30, 1950

Main Estimates of the Department of External Affairs  
1950-51

Statement of Mr. René Jutras, M.P. on The United Nations

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.P.  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950





## STANDING COMMITTEE

on

## EXTERNAL AFFAIRS

Chairman: J. A. Bradette, Esq.,

Vice-Chairman: Gordon Graydon, Esq.,

Messrs.

Balcer	Fleming	Low
Bater	Fournier ( <i>Maisonneuve-</i>	Macnaughton
Beaudoin	<i>Rosemont</i> )	McCusker
Benidickson	Fraser	Mutch
Breithaupt	Gauthier ( <i>Lake St. John</i> )	Noseworthy
Campney	Gauthier ( <i>Portneuf</i> )	Pearson
Coldwell	Goode	Picard
Cote ( <i>Matapedia-Matane</i> )	Green	Pinard
Croll	Hansell	Richard ( <i>Ottawa East</i> )
Decore	Jutras	Robinson
Dickey	Leger	Stick
Diefenbaker		

Clerk: ANTONIO PLOUFFE

## MINUTES OF PROCEEDINGS

TUESDAY, May 30, 1950

The Standing Committee on External Affairs met at 4 o'clock. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Bater, Bradette, Breithaupt, Coldwell, Croll, Decore, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Portneuf*), Goode, Hansell, Jutras, Leger, Macnaughton, McCusker, Noseworthy. (18)

The Chairman expressed his thanks to the Vice-Chairman for presiding over the meeting held on May 22nd.

He read a letter from the Speaker inviting the members of the Committee and their wives to a reception in his quarters in honour of the Prime Minister of Pakistan, Liaquat Ali Khan.

After a brief discussion on procedure, Mr. Jutras proceeded with his statement on the Fourth General Assembly of the United Nations held in September, 1949 at Lake Success, New York, to which he was a delegate.

The meeting was suspended from 4.45 to 5.15 for a division in the House.

Mr. Jutras was questioned.

The statement of Mr. Eudes, M.P., a delegate to the Economic and Social Council of the United Nations was deferred to the next meeting.

At 6 o'clock, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## EVIDENCE

House of Commons,  
TUESDAY, May 30, 1950.

The Standing Committee on External Affairs met this day at 4 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we will call the meeting to order. It was very good and very diligent on your part to come here so early and in such numbers.

First of all, I want to thank our worthy vice chairman for holding the fort when I was away. I know that he did a good job, in fact, a much better job than I could ever think of doing myself.

Mr. McCUSKER: You are too modest.

The CHAIRMAN: No. Moreover, the vice chairman was good enough to send me a memorandum of your last meeting which I also highly appreciate.

As you know, I spent most of last week accompanying the Governor General in my own section of the country and my people were glad to see me and in fact they thought the session was over and that I would stay with them for the rest of the year, but I had to come back here.

I wish to thank Mr. Graydon, the vice chairman, and all the members for the good work they have accomplished during my absence.

Mr. MACNAUGHTON: May I ask a question at this stage, Mr. Chairman? I understand a few days ago that the member for Peterborough West made a speech of welcome to the Prime Minister on the occasion of the opening of a hospital or something and I was wondering if the Department of External Affairs had printed and circulated that speech yet?

Mr. FRASER: If they do they will be very severely criticized by the member from Peterborough.

Mr. McCUSKER: I think that should be done. I so move.

Mr. GAUTHIER (*Portneuf*): I second the motion.

The CHAIRMAN: Before we proceed any further I want to read a letter we received from the Speaker, of the House, Mr. Ross MacDonald, dated May 29, 1950. I will read it:

Dear Mr. Bradette:

On Wednesday afternoon, the 31st instant, the Prime Minister of Pakistan will address the joint assembly of the members of the Senate and the House of Commons in the chamber of the House of Commons. Immediately after leaving the chamber he is coming to the Speaker's chambers in the House of Commons. I would be very pleased indeed if you and the members of the External Affairs Committee would come to my chambers in order to be presented to him. I would also be indebted to you if you would advise the members of your Committee of the arrangements which I am making in this respect.

So after we are through in the House of Commons tomorrow afternoon we will all go to the Speaker's chambers. We are privileged by that invitation because it is impossible for all the members of the House to come to the Speaker's chambers. That is why he thought it would be in order to have the members of this committee meet the Prime Minister of Pakistan there.



Mr. FRASER: Would it not be wise, then, if the members of the committee met together in a certain room right immediately after and go in in a body?

Mr. FLEMING: I would not think it is necessary. I understand there is to be a presentation to the Prime Minister of Pakistan in the House of Commons chamber tomorrow, and as soon as the Speaker moves to his chamber we can go over with him.

The CHAIRMAN: The Speaker has sent me a note stating that the members' wives will also be welcome with the members themselves.

Now, I believe we should take a few minutes to discuss our next meeting this week. We are all very busy with so many committees functioning at the same time. Tomorrow afternoon there is to be a steering committee meeting in my office of which you have received a notice already. If you leave that to the steering committee I think we will try to work out a scheme whereby we will sit one more day this week. We will leave that to the steering committee but I think you may be prepared to have another meeting this week.

Our next order of business. I believe you all agreed that we were going to have a statement made by Mr. Jutras and Mr. Eudes. As you know they were representatives of Canada at the United Nations and we thought early in our deliberations that they be called upon to make a statement of what they saw and heard and what they did themselves in their activities as delegates to the United Nations for Canada. I now call upon Mr. Jutras.

Mr. JUTRAS: Mr. Chairman, and gentlemen, I appreciate very much this opportunity of addressing the committee on my experience at the United Nations, and I want to assure you right at the start that I will not abuse that privilege and I will try to be as brief as possible.

I find that it may be difficult for me to be original in my remarks since the assembly that I attended was the fourth general assembly held last September and the chairman of the delegation, the Under-Secretary of State for External Affairs, Honourable Mr. Pearson, has already reported on that meeting, in the House of Commons, and also here in the committee; and then again the Committee on External Affairs went into the estimates last December and dealt quite extensively with the fourth general assembly. So, some of what I will say will probably be somewhat of a repetition. However, I will not deal, for that reason, with any of the general and more broad political questions that were gone into at great length by Mr. Pearson and others before. I think that it might serve a very useful purpose if I were to deal more particularly with the mechanism of the organization, I mean the tools with which the member states have to do the job that it has been set up to do. It was my impression before I went, at any rate, and I suppose this is at least common to a certain extent, that the activities of the United Nations were not of the scope that I found them to be. I would like to leave the impression if I can, and I do not know how successful I will be, but I would like to leave the impression that the United Nations is really an organization set up to do a job, and that it is accomplishing something, and that it is an organization that does things. I think that, generally speaking, in view of the fact of the great importance, and I do not want to minimize the importance of the Security Council, the press and the public in general have had their eyes more glued to the Security Council than anything else of the United Nations. The inability of the Security Council to arrive at any definite progress in the last few years has probably left the impression at large that the United Nations was not accomplishing a great deal. As a matter of fact I have heard it said that it was stymied. You no doubt have heard of the United Nations referred to as a glorified debating society. When you get down to study the organization, and the best way to do it, of course, is to take part in it, you really find that the scope of the organization is at present wide and large. It is at the present time establishing foundations

in many fields that will produce very beneficial results in the future. Now, it was my privilege to represent Canada more particularly on the second and the fifth committees. Possibly, as I said at the beginning, I should tell you something about the mechanism because to really appreciate news items in the newspapers about the organizations you really should know exactly what the various organs mean and where they fit into the general picture as a whole. I will be very brief on that aspect. As you all know the main body of the United Nations is the General Assembly and the General Assembly is made up of 59 member states; all member states are to meet once a year in the month of September, so every September there is to be a general meeting of the member states of the United Nations organization. Now, when we arrived at Flushing Meadows, as you know when the organization was set up there was not enough room in New York, in Manhattan, to house all of the United Nations, and so the exhibition grounds at Flushing Meadows were fixed up to house the General Assembly for what is known as the plenary meetings.

Now, the first thing that is done is the allocation of the items to be discussed during that session, and then the work is divided into its main committees, the political, economic, social, trusteeship, administrative, budgetary, and legal, and for the last two years, they have added an ad hoc committee, a seventh one; in other words, they have divided No. 1 committee into two parts. All the various items are divided into seven parts and usually after the first week of the General Assembly, all delegations are split up into seven parts. That is really when the work is started. It is natural that the discussion in the political meetings should be of general character at the opening of every general assembly; it is something like our discussion in the House on the speech from the throne. Practically all nations make a general statement on the conditions of the world and so these statements are in most part prepared carefully by all delegations and are formally delivered from the rostrum. And so it is probably from that part that the organization received the connotation of a glorified debating society because that part is of a very general nature and very formal. However, in the committee the atmosphere is quite different, it is very much like a committee of the House of Commons here; all members are sitting around an oval table and all are elbow to elbow, and items are taken one after another. There is give and take in the committee; there is cross-fire; in other words, it is very much like here. It is very common to have amendments, sub-amendments, and then appeals to the mover to change his original resolution so that it will be acceptable to a certain delegation to enable it to support it. Finally, the vote is taken and that settles the question and then we go on to another one.

Now, a word about the mechanism of these committees: it is very interesting to see the advance of science and the mechanics of the simultaneous translation system that they have. I would say it has completely eliminated the language difficulty. As a matter of fact after you have been a member of the committee for about a week you hardly notice that members are not all speaking the same language because once you get used to the earphone system you can always listen in to any of the five languages that is translated into. All reports of the committee are published the next day, in what they call the interim summary report. This is not a word for word report of the deliberations but it is a very complete summary. For instance, they go on to say Mr. So-and-So said this and said that, and they pretty well get in everything that has been said. It is very accurate but it is not word for word, it is a summary. To have a record of the exact proceedings a record is cut of all the deliberations in the committee, and then, so that it will not take too much storage space these records are transferred to a tape and then this is classified in a library and kept there for future reference. Now, I being a member of the Finance Committee thought that possibly this was a great deal

of expense and I went into this question to see what was the reason for recording all the speeches. There are grounds for it. Since only a summary report is produced and since many countries want to have part of those speeches re-broadcast within their country, they can always go to the library within a certain period of two or three weeks and get the record or any part of it recorded on another record and it can be broadcast over the air word for word in the way it was given in the committee. That applies also to the general assembly.

Well, now, in committees, and I think that applies to practically all committees, the point of view there is the same, of course, as in the general assembly. There is the east and the west, a difference of opinion on most questions. There is an effort to arrive at a compromise and quite often by means of able management we can arrive at compromises on matters not of great fundamental differences, but on the fundamental issues naturally no compromise can be arrived at. You have always, more or less always, the communist group and the non-communist group and the familiar vote pattern, that ensues is practically always 38 to 5, to 10 abstaining, or 46 to 6, or 43 to 5 and one abstaining, and it is pretty well always the same pattern on these differences at the present time.

I would like to say a word about the organs of the United Nations. You all know, of course, and I do not want to go into at length, the Security Council, which is one of the main councils, one of the main bodies of the United Nations, whose primary responsibility is the maintenance of international peace and security. I might say in passing that the Security Council is one that functions continuously and acts on behalf of all member states. Then there is the ECOSOC, the Economic and Social Council, which is also of great importance, but about which much less has been said. It is made up of 18 members and it usually holds two sessions a year, one in New York and one in Geneva, and the members are elected for a period of three years. The primary responsibility of ECOSOC is the attaining and maintenance of international economic and social co-operation, and the duty of the council is to initiate studies and make recommendations with respect to economic and social matters and to promote the observance of human rights and fundamental freedoms.

At the beginning of the United Nations the problem that faced the ECOSOC was to resolve the urgent problems of reconstruction and rehabilitation of the war devastated areas of Europe and to that end many sub-commissions were established to deal with certain particular phases of it and so for the first few years, the program of ECOSOC was more a program of short term planning, that is looking after problems that would not be recurring ones in the future. The main function of the Economic and Social Council however, is really to act as the co-ordinating agency of the United Nations, to co-ordinate all the various bodies, that is the functional commissions, sub-commissions, regional commissions, specialized agencies, and the non-government associations.

Just to give you an idea of the work of co-ordination that it has to do, it is responsible for nine functional commissions, the list of which you have seen no doubt on the chart and then to that has been added five sub-commissions, and then regional commissions to study regional problems, and then there are thirteen specialized agencies. As you know, the specialized agencies are not really part of the United Nations, they are only loosely connected to the United Nations organization. They are inter-government agencies that existed for the most part before the United Nations came into being. When the United Nations came into being ECOSOC, the Economic and Social Council, was given the responsibility of bringing them in and giving them every assistance. So the facilities of the United Nations were made available to all of these specialized agencies.



And then in addition to that there are 90 associations which are not related in any way with governments but which have been recognized by the United Nations. These 90 associations are asked to make recommendations to the organization, and they do make recommendations accordingly to ECOSOC.

After the fourth regular assembly last September, the second committee which is the economic committee accomplished two main things. First, we drafted a comprehensive plan for an extended program of technical assistance for under-developed areas; and secondly there was a debate on general economic conditions. There was a very long debate. It was a lively one and it had the advantage of giving all countries an opportunity to exchange views on how the economic problems of the world could be met. However, it did not come—and it was not meant to come—to any final conclusion, and it did not submit any final resolution as a result of the discussions. It was more of a general exchange of views.

I would like to deal a little more in detail with the technical assistance program for under-developed countries because I think it is one of the major economic undertakings of the organization. There was a frame-work set up in 1948 when the organization was given authority to grant fellowships, to send experts to visit countries, to furnish them with technical assistance, and to disseminate a great deal of technical information. That was under the 1948 plan.

At the fourth regular meeting of the assembly this program was carried a step further. First of all it was placed on a continuing basis. It was recognized by all that this is a long-range program and that it will take years to complete it. So the foundation was laid at the fourth general assembly.

Of course, the great stimulus that was given to this part of the United Nations work was the Point Four Program of President Truman in the United States. So in our estimates at the fourth assembly meeting the appropriations for that one department were practically tripled for that purpose. At this point perhaps I should say that the appropriations in the budget are purely for the staff and the administrative phase of that plan.

Under the plan as it is now, the new plan, provision is made for training courses for the natives of those countries which are under-developed, for sending missions into those countries to make studies, for recommending what can be done to improve economic and raise living standards, and for the setting up of pilot projects. Just now there is a committee of experts studying and trying to find an answer to what could be done to provide suitable climates for foreign investments in those countries. That is the financial side of it.

A word as to the administrative machinery in connection with those plans. First of all, the countries which want to benefit must send in applications. Applications must come, first of all, from the governments which want to participate. The application is directed to a specialized agency—or, if there is no such specialized agency interested in the problem, the application is to be sent to the Secretary General himself. Then these applications are reviewed by a technical assistance board which is made up of the Secretary General and the chairman of the specialized agency; and in turn it is reviewed and the general policy of the program is laid down by the technical assistance committee.

This technical assistance committee is really but the ECOSOC, the economic and social council because it is made up of the representatives of the 18 countries which are members of the Economic and Social Council. In other words, it is just the members of the Economic and Social Council acting in the capacity of a committee to review these applications.

The assembly also set up a fund to finance this plan. This fund is a voluntary fund. Member states will be asked to contribute whatever share they wish to contribute to that fund; and that fund is to be used only to pay whatever expenses may be entailed in foreign currency. In other words, whatever expenditures will take place in the country, the country itself will be asked to pay for



those expenditures. But any assistance coming from outside that would have to be paid for in other than their own currency will have to come out of this fund. So far allocation of funds has not yet been determined. This will be done by the Technical Assistance Conference which conference is scheduled to take place, I believe, on the 12th of June, the 12th of next month.

The Canadian attitude on this point of technical assistance for underdeveloped countries I think was given a great deal of publicity. Possibly the members are quite well aware of what our attitude was at the United Nations on that score. But for the purpose of the record, I wish to quote briefly an extract from the main speeches that were made at the fourth general assembly.

*By The Chairman:*

Q. Made by whom?—A. Made by myself as the representative on the committee at that time. There is part of a speech published in the Reader's Digest for January 1950 which pretty well indicates the Canadian attitude and I will put it on the record to show our attitude on that score particularly as regards our great interest in Trade. The extract reads as follows:

Canada strongly supports the principle of seeking a maximum level of world prosperity and trade. The primary emphasis should be toward the evolution of a sound, well-conceived program of technical assistance for economic development of underdeveloped countries—a step forward on the road toward the achievement of the ultimate goal of the United Nations.

My country has always been a willing partner in any scheme of co-operative effort which has as its aim the betterment and welfare of our fellow men. The productive use of the world's human and material resources is of concern to all countries.

Our own Canadian experience indicates that once a sound basis is established, economic development follows naturally. The industrial and general economic development of underdeveloped countries will improve opportunities for employment, enhance the productivity of labour, increase the demand for goods and services, contribute to economic balance, expand international trade and raise levels of real income. Through the interchange of goods we can make it possible for our people to obtain those things which they require for their greater well-being; in return we have many things to offer which can contribute to the well-being of those people in areas now termed 'underdeveloped.'

The point we made there also is that this program, if I may put it this way, should neither be looked upon as a glorified public works department nor as a program which is an end in itself; but rather that each project undertaken should contribute towards the accomplishment of a useful and realizable end and at the same time should fit into an over-all picture of comprehensive world economic development. And then we also pleaded for modesty of the program particularly at the beginning and I shall quote this paragraph to illustrate the point:

The reasonableness of our program for the first year and the possibility of its accomplishing concrete results, will undoubtedly be factors of great importance to national legislative bodies when they are considering the extent of their participation in the program.

In other words, we thought that all countries should go easy with respect to this scheme and be very sure of their ground before starting out, so that they would be in a position really to lead to fruitful conclusions, whatever scheme was supported. Basically it is a scheme to help those countries to help themselves which have not the technical knowledge and education at the present time to cope with technological developments in the world. So it is felt by the world organization that some assistance should be provided from outside at

least to give them a fair chance. That was the basis that was laid down in the program. Of course Mr. Eudes attended the following meeting of ECOSOC and he will report on other phases of that question.

Now I see that time is flying but I want to deal briefly with the budget of the United Nations. As you know, during the four years since the beginning of the organization there has been a steady growth in the scope and number of activities of the organization, and that same tendency is also true of the specialized agencies.

Gentlemen, I was just beginning to deal with the budget on the United Nations. I was saying that the budget of the United Nations has been growing every year since the beginning of the United Nations. I believe it was natural that the scope of the activities of the United Nations should be expanding for a few years at the beginning. An examination of the various budgets indicates that in 1946 it amounted to \$19.4 million and in 1947 \$26.8 million; in 1948, \$37.6 million; and in 1949, \$39 million.

When we met at the beginning of the fourth general meeting, the budget presented to us was more or less on the same level as the 1949 budget; there was no increase contemplated in the budget so we felt at that time that the organization had reached the point where it was levelling off and stabilizing at that level, at least financially. However, as you know, towards the end of the assembly a resolution was passed by the ad hoc committee for the internationalization of Jerusalem, and the cost of this undertaking was estimated at \$8 million, so it brought the budget of the United Nations to over the 1949 budget. However, I think I should probably say that the Secretary General did not appropriate the \$8 million. He felt quite sure that at least only part of that could be spent during the year and that consequently there was no need for the \$8 million at that time, and so there was only an appropriation of \$4 million added to the budget, subject to the other \$4 million being asked for later, if required. I think, as a matter of fact, that this \$4 million will not be asked of the contributing nations yet; there is a possibility that it may not cost any money during 1950 because little of the plan may be put into operation.

It is a practice every year at the fifth committee when the member nations meet to discuss the budget that it is given the assistance of a standing committee which is known as the Advisory Committee on Budgetary and Administrative matters. This is a body made up of experts who are not elected as members of a nation, but are elected on their own personal attributes. The job of this committee is to review the financial activities of the organization and to make recommendations to the member nations, and also it is a check on the Secretary General. For instance, the Secretary General cannot draw money from the reserve fund without having the authorization of the advisory committee. It is, in general terms, more or less doing the same job our Treasury Board is doing in this country, although it is not exactly set up similarly.

In all sessions the advisory committee goes through the budget estimates and then recommends a certain number of reductions in the appropriations, reductions that they see fit. Up until the last session they had always managed to agree, the experts of the advisory committee and the Secretary General. He usually accepted the reductions that were recommended by the advisory committee. However, this session we were faced with a peculiar situation. In five major departments, the Secretary General refused to accept the reductions suggested by the advisory committee. So we were placed in the position of having to decide between this body of experts and the Secretary General. It made the work a little more difficult. The position of our Canadian delegation was that we had always been satisfied, and very well pleased with the work and recommendations made by the advisory committee in previous years so we took the position that we should accept all the cuts recommended by the advisory committee and place the onus on the Secretary General to prove his

case for a restoration of these cuts. We agreed to support restorations wherever we would see fit, but placed the onus on him to prove his case against the recommendation of the advisory committee. The cut recommended by the advisory committee was in the neighbourhood of \$2 million. It actually amounted to \$1,786,750. These cuts were made in the various departments of the United Nations. In some cases we went along with the Secretary General and approved certain restorations; and in certain other cases where it was not possible to get all of the cuts, we compromised on part restoration and part cut. In the committee you have got to remember that on the one hand you have those east and west difference of opinion and that applies not as much in the financial committees as in the others, but it does apply there too. Also on the one hand you have the U.S.S.R. and satellites that are naturally anxious to cut down to the very bone any appropriation for any project that has to do with the betterment of any democratic country to any extent. And on the other hand it is only realistic to realize that there are fourteen nations only that contribute more than one per cent of the cost to the United Nations and it is natural, I suppose, for those countries that make very small contributions to the total funds that they should be generous with the money that is available for spending, particularly in the countries that they are interested in. I do not want to insinuate that these countries are not discharging their responsibilities because I think that, for instance, taking South America as a whole, where the contribution is very low, they have proved themselves to be very reasonable in every respect and we certainly could not accuse them of that. Still, as a general attitude and a general frame of mind, it is a natural reaction, I suppose, and it is a good thing to bear that in mind in any of these deliberations.

Coming to the contribution of Canada. Possibly I should add here, before leaving the Canadian attitude on that point, that we strived, as you can see from the report, for economy and efficiency all the way through, and tried to bring the cost of the United Nations down to the 1949 level. As a matter of fact, at the end of the year, as I said, had it not been for these added expenditures for the internationalization of Jerusalem the budget of the United Nations would have been slightly lower than for 1949, and I think it is on that basis that the various member states will be asked to contribute and not on the latest one, with the added \$8 millions.

On the scale of assessment. As you know, member states are given a share of the cost of the United Nations. There is a standing committee there again to determine that. This is what is known as a Committee on Contributions made up of ten members, and here again these people are experts in their field, I mean they are not elected so much as a member of a country, they are elected as experts in that field, although the other factor is also taken into consideration. They are elected for three years.

They are responsible for making recommendations to the General Assembly for the assessment of contributions on member states. They determine, I mean they make the recommendation as to what should be each country's share toward the cost. The expenses of the United Nations are proportioned, broadly speaking, according to capacity to pay. This is the formula that is used to assess nations, capacity to pay. Capacity to pay is largely based on the estimates of national income of the country and that is taken *prima facie*. Also a factor is the per capita income in the country, and the dislocation of national economies due to the war. This was a factor that entered the picture particularly during the first year. Another factor is the ability of the country to secure foreign currency to pay their contribution. The United States government delegation asked that a ceiling be imposed on contributions. They felt that, this being an association of sovereign nations, that no one country should be asked to pay more than one-third of the total cost. As you know, the contribution of the United States is slightly over one-third; it is actually 39.7 per cent.



So they moved that the contribution of one nation should not be more than one-third of the cost, and at that time the Canadian delegation moved another resolution to the effect that if it was true, or if the principle was accepted that no one nation should pay more than one-third of the total cost then, on the other hand no nation should pay a per capita contribution greater than the country that has been reduced to one-third. In other words, if the United States contribution was reduced to one-third, the contribution of other countries should be adjusted so that the per capita contribution of no one country would be greater than the per capita contribution of the United States.

We have tried all along to get these two principles tied together. They have never been established as such. They have so far been only recommendations to the contributions committee for them to keep these considerations in mind. Now, even at the fourth General Assembly certain countries objected to this ceiling. They felt there should be no ceiling, that if it so happened that the capacity to pay of one country was greater than the capacity of another country, there was no reason that that country should not pay more than one-third. However, we expressed our great dissatisfaction that our contribution was not lower. We feel we are paying a heavy contribution for our size, our contribution is 3·2 per cent; it is over a million dollars a year.

Last year when we met, the situation was exactly the same as it was in the year before, I mean the contributions committee had made no progress. The big handicap at the present time is that they have not got accurate statistical data and, of course, that applies more particularly to the countries behind the iron curtain. They have not submitted any new statistical data on their income or anything of that nature. The first contribution in 1946 was established on pre-war statistics, so we did bring out very strongly that those countries who have been bragging—and that has been the case of a great many countries behind the iron curtain—that their economy had made great progress since the end of the war, that they should reflect that in their contribution and bear a bigger part of the expenses of the United Nations. The recommendation went through to the contributions committee that next year in their report, they give out the names of those countries that do not co-operate fully in giving out statistical data. The committee is supposed this year to make a real effort to re-shape the scale of contributions, and we have hope that this will be done during the year. There was nothing much we could do about it. What we did in this regard was to get a Canadian elected on the contributions committee, Mitchell Sharp, one of our financial experts, is now a member. There is every reason to believe that the committee will really get down to brass tacks this time and evolve a more equitable scale of contributions because we feel that our share is more than it should be.

Mr. McCUSKER: What is Russia's contribution, may I ask?

Mr. JUTRAS: The Russian contribution just now is 6·3 per cent; the United States is 39·7 per cent; the United Kingdom, 11·3 per cent; U.S.S.R. 6·7 per cent; China, 6·0 per cent; France, 6 per cent; India, 3·2; Canada, 3·2 per cent. By order of importance: Sweden, Australia, Argentina, Brazil, Netherlands, Belgium, Union of South Africa. Those are the only countries that contribute more than one per cent; all the other nations are below one per cent.

Mr. GAUTHIER (*Portneuf*): Like the Ukraine and Russia and the satellites?

Mr. JUTRAS: Yes, I imagine so.

Mr. GAUTHIER (*Portneuf*): Very small contributions?

Mr. JUTRAS: Yes, very small contributions. It is, indeed, a very small contribution. I believe this about covers the picture or at least the most important matters that came up during the fourth general assembly



particularly on the fifth committee and the second committee, at any rate, and as I said, you already have had a full report on the political and other committees.

I will be glad to supplement, if I can, by answering any questions that members would like to ask.

Mr. FRASER: Who is that Mitchell Sharp, who is on the committee now?

Mr. JUTRAS: He is from the Bank of Canada.

Mr. FRASER: Is he down there all the time now?

Mr. JUTRAS: No, the contributions committee meet periodically. They are given the responsibility of establishing a scale of contributions. They do the spade work and then their recommendation is presented to the General Assembly. Any changes may be brought about by the member nations, if they so desire; it is the permanent standing committee of the United Nations which is working all through the year on getting statistical data and information to compile their report and recommendations.

Mr. FRASER: You said the United States would be reduced to one-third?

Mr. JUTRAS: I did not quite say that.

Mr. FRASER: I know you did not, but you inferred that they wanted that.

Mr. JUTRAS: The United States had asked that their contribution be cut, be reduced to not more than one-third of the total. They felt that since it is an association of all sovereign nations, since everybody has one vote, in other words, everybody is equal, whether it is a small or whether it is a big nation everybody has one vote and in fact are all equal, they felt that one member, for instance, should not pay the whole cost because then that nation would have too much influence, and they felt that their contribution should be not more than one-third.

Mr. FRASER: Well, then, you also mentioned the fact that by reducing the United States to one-third, the others should be in proportion to that, am I right?

Mr. BATER: Would the others be put on a higher rate than the rest?

Mr. JUTRAS: What I said is, if the United States is brought down to one-third of the total, from 39.7 to 33.3 per cent, that no country should pay a per capita rate higher than the United States after it has been reduced.

Take, for instance, the United States and Canada. I do not know exactly what the per capita is now, but I know if you were to take these figures now and reduce the United States to 33.3 per cent, and leave Canada's contribution at 3.2 per cent, our per capita share of \$1,221,000 a year would be higher than the per capita share of the American people.

Mr. FRASER: And that would likely be the case of the other countries too?

Mr. JUTRAS: It may affect other countries but I think Canada would be the one mostly affected.

Mr. FRASER: How do they figure then on making it balance?

Mr. JUTRAS: That is the big question. Every time you come to a re-allocation of the estimates, if you cut the United States down somebody else has to come up.

Mr. FRASER: Who do they figure?

Mr. JUTRAS: There is now no one in particular. That is one of the reasons that it was not accepted; it was recommended to the contributions committee.

Mr. FRASER: You mention the countries behind the iron curtain. Were they supposed to help on that?

Mr. JUTRAS: They have their share just like everybody else but we do not know exactly what per cent would be a fair share for them. I can see the

contributions committee have got a job to try to determine how much each country should pay when you base it on ability to pay, it is not a very definite barometer although it is a fair one.

Mr. FRASER: You said ability to secure American dollars was another factor.

Mr. JUTRAS: This is one of the minor factors that enter into the picture. The main thing is the estimate of the national income of the country. Other considerations are the per capita income and the dislocation of economy on account of war. This was the argument used by many countries in Europe when the war came to an end. Their economy was not functioning and they could not be expected to bear a heavy assessment. We felt we had now reached the stage where many of these countries were back on their feet sufficiently to assume a greater portion of the cost. I imagine this will be a lively subject for discussion this year.

The CHAIRMAN: In any discussion of that kind, I found out at least one always has in mind Russia, which is using the United Nations as a sounding board and in fact an advertising board to boast all the time that their standard of living is increasing by leaps and bounds but they are not contributing as much as the other nations.

Mr. GAUTHIER (*Portneuf*): Yes, on the one hand you have the boasting of Russia, and the satellite states that they are very successful and yet in the United Nations when it is time to pay they have a very low contribution to make.

Mr. BATER: Do I understand from what Mr. Jutras said that if it were put on a per capita basis that some countries could not afford to pay their share. Is that what I understand?

Mr. JUTRAS: No, I did not say that.

Mr. GAUTHIER (*Portneuf*): That is not per capita basis; it is ability to pay basis.

Mr. BATER: Supposing it is put on a per capita basis, have the United States put on a per capita basis, then what would happen?

Mr. JUTRAS: There is no question of putting it on a per capita basis. The point is this: there is a great deal of merit to both sides, but on the other hand it is quite debatable whether any one country should pay more than one-third of the total cost. On the other hand, I think it would be a discrimination if you were to reduce the contribution of one nation to one-third if it would result in another country paying a greater per capita share than the one that has been reduced; now if you put one into effect, the other one would have to be put into effect, too, and that means a general adjustment made all down the scale.

Mr. DICKEY: That was a proposal made by Canada?

Mr. JUTRAS: Yes, that was a proposal made to safeguard Canada's interests.

Mr. NOSEWORTHY: That formula does not reduce the total budget of the United Nations, that is, it is flexible, the budget could be any amount and the United States would pay one-third of that.

Mr. JUTRAS: No, but it does affect every other percentage along the scale.

Mr. NOSEWORTHY: It changes assessments?

Mr. JUTRAS: On this point, on page 286 of the United Nations report there is a speech that we gave on that point. May I refer you to this page 286 of the report. There is no point in my repeating it now because it is already on the record.

I might say in passing that there is another difficulty in the United Nations that arose. You have noticed in the report the staff assessments plan which is quite a complicated scheme, and its purpose is to put everybody on the staff on the same level. The United Nations happens to be in the United States so it affects the United States citizens more than anybody else. Being in the United

States civil servants of American nationality who work on the United Nations staff still have to pay American income tax because they are not outside their own country. The other employees come from outside and are all exempt from income tax because they are abroad. The American employees of the staff of the United Nations felt discriminated against because they were not getting as much money as the others. So, an effort was made to equalize the situation. The Americans agreed, or at least tried to get an Act through in Congress exempting their nationals from payment of income tax but Congress as a whole was against creating a special class of citizen. There is nobody exempt from income tax in the United States and they did not feel that they should create a special class so they were not able to exempt their own nationals from income tax.

However, the secretary general felt that he could not run the establishment if there was discrimination against part of his staff and he asked for authorization to pay that money back to those who were paying income tax. Of course, there were objections from other nations and this staff assessment plan was created to equalize the pay of all civil servants. It is merely a paper transaction but it creates a gross pay and a net pay. In other words they are paid on gross pay. They get their regular pay plus the income tax they have to pay. In the case of those who do not have to pay income tax it comes back to the secretary general so he does not lose money anyway. In the American case that part of the money is paid out of the treasury to them. There has been great pressure in the committee to get the American government to pass legislation exempting their nationals.

Senator Cooper who was the delegate reassured the committee that everything that could possibly be done was being done by the executive body, in other words the government, to try and push legislation through and I think that it will go through. They gave us assurance that they expected to have some legislation agreed to that would exempt their nationals from income tax.

Last year the secretary general did get from the executive council authorization to delay paying back that money to the American government. There is a possibility that their legislation may be retroactive so that they may not have to repay it. There was no need for appropriation this year on that score. Something will be done by the government, and they probably will be exempt.

We in Canada were in the same position last year, when ICAO met here. Our nationals were not exempt from income tax in our own country. As you know ICAO, one of the specialized agencies, has its headquarters in Montreal, so that our Canadians working in the ICAO office in Montreal were in the same position. They were not exempt from income tax because they were working here. Although it is a very small organization and it represented such a small amount of money that it did not matter very much, as a whole. The situation has been corrected however. A change was made last December and those people are now exempt. The problem should be solved for the next meeting.

The CHAIRMAN: Are there any further questions?

Mr. FRASER: Yes, Mr. Chairman, have you a list of those who are exempt from income tax in Canada?

Mr. JUTRAS: Who do you mean?

Mr. FRASER: Our Canadians who are exempt?

Mr. JUTRAS: They are automatically exempt at the United Nations—that is outside of Canada and they have always been exempt.

Mr. FRASER: Even if a man in the Finance Department of the Bank of Canada was on the United Nations staff, working for the United Nations, he would be exempt, even if he was there only part time?



Mr. JUTRAS: No, in that case he is not working for the United Nations; but he is a representative of Canada. He is paid by Canada and not by the United Nations. What I have said only applies to civil servants of the United Nations.

Mr. FRASER: The ones on the staff?

Mr. JUTRAS: Civil servants of the United Nations. They are in a class by themselves. As a matter of fact before they are taken on the staff they have to take a pledge that they are not following directives or are not being influenced by any nation. They are absolutely independent.

Mr. McCUSKER: That is a pretty hard pledge to take sincerely.

Mr. JUTRAS: The pledge is that they are not influenced in their work by any one nation, because they are working for all nations.

As those are civil servants of the United Nations there are a little over 4,000 from all over the world. Now, I might say in passing, as a point of interest, that we have a bilingual country here. It raises certain problems in our own civil service but over there there are fifty-nine nations and due consideration must be given to geographic representation in the selection of the staff. You can imagine the headaches it must create for the secretary general, although the first emphasis is on efficiency and qualification. I might also say that there are many Canadians working there. As a matter of fact I think the Canadians are the fourth largest group in the civil service staff of the United Nations. That is mostly due to the fact that a great many bilingual stenographers went from Canada to the United States. There was a great demand for bilingual stenographers and Canada was one of the countries which had most of them. Although too, we have our fair representation in the upper brackets, on the directors level. Geographical representation has been taken care of and the list of civil servants coming from a great many countries is very impressive.

Mr. BATER: Do I take it from what has been said that Canadians employed by the United Nations do not pay any income tax to any country?

Mr. JUTRAS: No; under the staff assessment plan they pay income tax to the United Nations, but they are paid that much extra so actually they do not pay any income tax. Nobody at the United Nations is supposed to pay tax but as I said, the American nationals are in a peculiar position where they are still at home and not outside their country.

Mr. FRASER: Those people are exempt the same as diplomats in this country would be?

Mr. JUTRAS: Yes.

Mr. McCUSKER: It would be very much the same as the situation in wartime when Canadians serving in Europe or in England were exempt from taxation on that part of their income which they earned over there, but they would pay on what they earned at home?

Mr. JUTRAS: It is the same.

Mr. FRASER: I would like to know what kind of an oath the Russians take—that they will not take direction from any nation?

Mr. GAUTHIER: Can you state one particular instance where Russia and the satellites did not vote together, during your stay there?

Mr. JUTRAS: No, I do not think of a case. I do not think that question ever arose, but now, of course, we have to make some small distinction when we talk of Russia and the satellites, since the break with Yugoslavia. They did break away from the bloc although, mind you, in most cases they abstain rather than vote against. In many issues they still vote with Russia—when it is a



matter of communism at large or the principles of communism, naturally they still support them. In many cases, however, they abstain but sometimes they vote against. The general pattern I would say is 5 to 1; it used to be 6, now it is 5 to 1 abstention.

Mr. NOSEWORTHY: Do you know of any members of parliament who have visited the United Nations?

The CHAIRMAN: We have the right to visit as individuals. Two or three years ago members of the External Affairs Committee went there at their own expense, after their request to go at government expense could not be granted. It was a very fine trip.

Mr. NOSEWORTHY: I spent two days there last fall. One of the things or the difficulties which I had in mind was that concerning American funds. I was wondering if there should not be some way whereby members of parliament could get a special amount, or to draw more than the \$150 a year.

The CHAIRMAN: As chairman of the committee I would not tackle that because we were caught in the grist three years ago when the committee decided we ought to go as a body, as the External Affairs Committee, to New York.

Mr. NOSEWORTHY: You had to stay within your \$150?

The CHAIRMAN: Yes. Personally, I am not against it, but it would be something which the people would not like as a whole.

Mr. DICKEY: In principle it would only be an extension of the business man getting funds for a business trip.

The CHAIRMAN: When a member of parliament is appointed as a delegate he gets all the funds he desires?

Mr. JUTRAS: Not all the funds he desires.

The CHAIRMAN: A sufficient amount.

Mr. DICKEY: I think it would be interesting to see what would happen to an application by a member of parliament for foreign exchange for such a business trip.

Mr. COLDWELL: I would say it would come within the meaning of business travel.

Mr. FRASER: I have not tried it but I have been told it is allowable. I think the Minister of Finance told us that in the House of Commons. He said that for a trip of that kind, which would really be a business trip, if members would speak to the Foreign Exchange Control about it they would be allowed not too much but a sufficient amount.

Mr. JUTRAS: Next year it will be much easier to visit the United Nations because it will be right in New York and anybody who goes to New York cannot miss it. Up to now, however, the difficulty has been in getting out to Lake Success.

Mr. FRASER: Is there not some convenience or some transportation committee arranging to get people out there?

Mr. JUTRAS: When the General Assembly is sitting there are Canadian cars going out, but apart from that I imagine it would be quite a task to get out there.

The CHAIRMAN: Before we adjourn, I have given a tentative date for our next meeting as Friday at 11.30 a.m.

The Committee adjourned.





*Canada, External Affairs, Standing Committee on, 1950*  
SESSION 1950

Government  
Publications

HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

TUESDAY, JUNE 6, 1950

Main Estimates of the Department of External Affairs  
1950-51

Statement of Mr. Raymond Eudes, M.P. on The United Nations  
(Economic and Social Council)

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., LL.B.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950





## STANDING COMMITTEE

on

### EXTERNAL AFFAIRS

*Chairman:* J. A. Bradette, Esq.,

*Vice-Chairman:* Gordon Graydon, Esq.

Messrs.

Balcer	Diefenbaker	Low
Bater	Fleming	Macnaughton
Beaudoin	Fournier ( <i>Maisonneuve-</i>	McCusker
Benidickson	<i>Rosemont</i> )	Mutch
Breithaupt	Fraser	Noseworthy
Campney	Gauthier ( <i>Lake St. John</i> )	Pearson
Coldwell	Gauthier ( <i>Portneuf</i> )	Picard
Côté ( <i>Matapedia-</i>	Goode	Pinard
<i>Matane</i> )	Green	Richard ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey	Leger	

Clerk: Antonio Plouffe

## MINUTES OF PROCEEDINGS

TUESDAY, June 6, 1950.

The Standing Committee on External Affairs met at 4 o'clock. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Balcer, Bater, Benidickson, Bradette, Coldwell, Côté (*Matapedia-Matane*), Croll, Decore, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Portneuf*), Graydon, Hansell, Jutras, Leger, Low, Macnaughton, McCusker, Noseworthy, Stick. (21)

*In attendance:* Messrs. H. O. Moran, S. D. Hemsley and F. M. Tovell.

The Chairman made a verbal report of the last meeting of the Agenda Committee at which Messrs. Graydon, Low, Leger and Noseworthy were present. It was decided again to leave to the Chairman the question of calling an official of the International Joint Commission.

A further discussion on this matter took place and the names of Messrs. Spence and MacNaughton were mentioned.

Item 73, United Nations Organization—was called.

Mr. Raymond Eudes, M.P., and a delegate to the Tenth Session of the Economic and Social Council of the United Nations, made a statement and was questioned.

The Vice-Chairman presided from 4.05 to the conclusion of Mr. Eudes' statement.

Mr. Côté moved a vote of thanks to Mr. Eudes and it was carried unanimously.

Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs was called.

He gave answers to questions asked at previous meetings by Messrs. Fleming, Hansell and Fraser.

The witness quoted from statistical tables (breakdown of expenditures) previously requested, and referred to others, partly of a confidential nature. The latter were placed at the disposal of the members for perusal.

Mr. Fraser quoted from a letter to Mr. Heeney asking for additional information. Mr. Moran supplied the answers.

The witness was assisted by Mr. S. D. Hemsley.

The Chairman read the Order of Reference dated Tuesday, June 6. (*See today's proceedings*).

The Chairman thereupon instructed the Clerk to communicate with the Department of Transport requesting the appearance of an official.

At 5.55 the Committee adjourned until Friday, June 9, at 11.30 a.m.

ANTONIO PLOUFFE,

*Clerk of the Committee.*

## ORDERS OF REFERENCE

TUESDAY, June 6, 1950.

*Ordered*,—That the following Resolution be referred to the said Committee, viz:—

Resolved, That it is expedient that the Houses of Parliament do approve the Convention of the World Meteorological Organization signed at Washington on October 11, 1947, and tabled on February 14, 1949, and that this House do approve the same.

Attest.

LEON J. RAYMOND,  
*Clerk of the House.*

## EVIDENCE

HOUSE OF COMMONS,  
TUESDAY, June 6, 1950.

The Standing Committee on External Affairs met this day at 3.30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum and we now call the meeting to order.

I have some explanations to give to the members of the committee. Last week we did not have our meeteng as we intended, on Friday, as I met some obstacles which were insurmountable and I have to take the responsibility. I did the very best I could to have the meeting held on that day but it was absolutely impossible. A meeting of the steering committee was also held last week in my office dealing with the matter of the International Joint Commission, and I have been trying since to do all I possibly can to have one of the members of the commission appear before our committee at the suggestion of our vice-chairman, Mr. Gordon Graydon. I wish to state that we never had in mind calling Mr. Glenn or General McNaughton to appear before us. We thought that Mr. Spence, another member of the board, should appear before us, and I approached officials of several departments and they thought that they were in such a huff, if I may express it that way, over the flood situation in Winnipeg, it was hard at the time to get anyone to appear before our committee. I promised the steering committee that I would do my very best to have someone appear before we adjourned. I cannot promise anything definite but I at least hope we may be able to get Mr. Spence to appear before us, if that is at all possible.

Mr. GRAYDON: If I may add a word there, Mr. Chairman, I do not think anyone on the committee would want to summon Mr. Glenn to our sittings to give evidence because his health is not very good, and I think all of us would want to spare him any possible inconvenience or any discomfort of that kind, and I would not want his name mentioned in connection with the matter at all in the condition in which he is. In General McNaughton's situation he has just been appointed chairman of the Canadian section and what information he has would, of course, deal with the present and future perhaps. There is the other member of the commission, Mr. Spence, who has been on the commission for some time and who, I understand, is quite conversant with the matters which the commission has under its jurisdiction.

Now, I think that this committee would be a bit derelict in its duty if it did not take every step possible to have Mr. Spence here, in view of the great public interest there is in connection with the flood situation there. I am very determined in my own view that we should not leave any stone unturned to find out just what has been done by the commission because we are appropriating money here for that purpose and before we appropriate money I think we ought to have a right as a committee to have the evidence submitted as to what has been done in the past in connection with this serious matter.

Mr. CÔTÉ: I agree fifty per cent with my friend for the first time today.

The CHAIRMAN: Is there any further discussion on this matter?

Mr. CÔTÉ: If you will allow me, sir. On the other hand I would like to remind you, Mr. Chairman, and my honourable friend that if we want to get information with regard to this problem I think the man that we should have



is General McNaughton. I still remember General McNaughton sitting there three or four years ago and when I asked him whether he knew of the atomic bomb being no secret to the U.S.S.R., do you remember his answer? I think it was one of the greatest pieces of information that this committee ever had from an authority. I believe that we should call General McNaughton. The general is now our representative on this board, and if Mr. Spence cannot be here, I think the general can come here and tell us the score. This committee is somehow bound to get information that could be given to the House afterwards, and I suggest General McNaughton should come here and tell us the score in this respect.

Mr. FRASER: Mr. Chairman, I agree with my honourable friend in the fifty per cent where he agreed with Mr. Graydon, but in the latter part, regarding General McNaughton, I think that his information would be only what he picked up since he has been on the commission. I think that Mr. Spence who has been there for so long is the proper man. Later on, perhaps in another year,—

Mr. CÔTÉ: I will alter my proposition, let us have both of them.

Mr. FRASER: We should have Mr. Spence first because he would have the details going back to the 1948 flood and that is what we want.

The CHAIRMAN: I believe it would cause inconvenience to call General McNaughton now. As you are all aware the United States and Canada are investigating the floods in Manitoba. No doubt, General McNaughton will be busy on that program, and in the steering committee it was agreed that Mr. Spence was the man we should call on because of his experience.

Mr. CÔTÉ: My point is this: I do not want the committee to call one gentleman unless it has been decided that General McNaughton is also to be here. It is a matter of principle.

Mr. HANSELL: Did the steering committee decide to call Mr. Spence?

The CHAIRMAN: No, they left it in my hands to contact the department to see if it were at all possible and when it will be possible to get Mr. Spence here. I found the department willing to do what they could but it has been almost impossible to contact Mr. Spence. It is understandable, of course, under the circumstances of what happened in Manitoba. If you will leave that with me, however, I will arrange it the best way I can.

Now, gentlemen, we are on item No. 73, United Nations Organization Specialized Agencies, and we have, not as a witness, but as a delegate to that organ, Mr. Eudes, M.P., who will give us some of his views on the activities of that important body.

Mr. EUDES:

Mr. Chairman; It is a great honour for me to address the Committee of External Affairs and at the opening of my remarks, I wish to thank you and the members of your committee for your so kind invitation.

It is, I suppose, the wish of the committee that I should deal with the tenth session of the Economic and Social Council of the United Nations to which I had the responsibility of heading the Canadian delegation.

It might be interesting and helpful to the members of this committee who have not yet had an opportunity of attending a session of one of the United Nations organs, to hear a few words on the part assigned to the Economic and Social Council in the achievement of the work undertaken by the United Nations.

Because peaceful and friendly relations among nations based on the respect for the principle of equal rights and self-determination of peoples cannot be developed and maintained unless conditions of stability, and well-being are created. The members of the United Nations are pledged to take joint and

separate action in cooperation with the United Nations to promote higher standards of living, full employment, and economic and social progress; to seek solutions to international, economic, social, health and related problems; and to encourage respect for human rights and fundamental freedoms without discrimination. The responsibility for the discharge of these functions is vested in the General Assembly and, under the authority of the General Assembly, in the Economic and Social Council.

Those specific duties distinguish the Economic and Social Council from the other five organs of the United Nations.

The most important is the General Assembly on which all member countries have delegates. It has the right to discuss and, with one exception, to make recommendations on all matters within the scope of the charter and relating to the powers and functions of the other organs. The one exception relates to a dispute or situation being dealt with by the Security Council under its primary responsibility for maintaining peace and security. It receives reports from the other organs.

Members of the United Nations have in the charter, given to the Security Council the primary responsibility for maintaining international peace and security and have agreed that in carrying out its duties under this responsibility the council is acting for all members. They have agreed to accept and carry out its decisions.

The Trusteeship Council considers reports submitted by the administering authorities of the trust territories in response to questionnaires drawn up by the council, provides for periodic visits to the territories, and examines petitions in consultation with the administering authority. In the case of "strategic areas" the Trusteeship Council assists the Security Council in carrying out trusteeship functions relating to political, economic, social and educational matters.

The International Court of Justice is the principal judicial organ of the United Nations. The charter provides that legal questions are as a rule to be deferred to it. The court's jurisdiction comprises cases which the parties submit to it and matters especially provided for in the charter or in treaties or conventions in force.

The Secretariat comprises the executive office of the Secretary General and eight departments. It submits an annual report to the General Assembly on the work of the organization and assists, serves and advises the other organs in the performance of their functions.

This picture though very brief nonetheless gives an idea of the all-important part to be played within the framework of the United Nations by the Economic and Social Council. The scope of its field of action is a very wide one because of the great variety of matters falling within its competence.

For that reason, the council is assisted in the fulfillment of its duties by specialized agencies, functional commissioners of experts, standing and ad hoc committees and special bodies. Those bodies tackle the problems in their details, they investigate, initiate elaborate studies, draft extensive reports that will be submitted later to the council. Here in a few words, is how a council's session develops.

Six weeks before is opening, a provisional agenda prepared by the Secretary General, is communicated to all members of the United Nations along with the basic documents relating to each item.

Then, prior to each session, the Council's Agenda Committee, consisting of the president, the two vice-presidents, and two other members, considers the various items and makes recommendations to the council, as to the inclusion, deletion or deferment of items and as to the order in which they will be considered. I might mention here, Mr. Chairman, that at the end of this tenth session, Canada was unanimously elected a member of the Agenda Committee.

In short, before a session opens, the council's member-states have a certain knowledge of the subject matters they will have to debate. At the second sitting of a session, the agenda is formally revised, adjusted and approved by the council. As a consequence, the members of the council know exactly with which items they will have to deal. At the closing of each sitting, as the session goes on, the president usually gives the order of business of the coming meeting.

Generally speaking, the discussion on an item bears on a report drafted by one of the council's assisting bodies. A general debate opens the discussion during which the delegates, in broad terms, express the views of their government on the item itself and on the report. This is followed by a closer debate on the various parts of the report and on its conclusions. At the end of the discussion, resolutions are moved and voted upon the embody, modify or reject part or whole of the report.

The council sits twice a day, from 11 a.m. to 1 p.m. and from 3 to 6 p.m. Frequently, at the same time it holds plenary and committee sessions. According to its nature, the item under discussion is either debated at once before the plenary meeting or referred to the Economic or to the Social Committee. Those committees are composed of representatives of all the members. There, discussions of a higher technical level take place. The committee's report is later submitted to and fully debated in plenary meeting. In short, the rules of procedure and the practice followed in the council are less rigid than those of our House of Commons and very similar to those guiding the deliberations of our standing committees.

May I add, Mr. Chairman, a few remarks to this incomplete comment on the Economic and Social Council. The council meets twice a year, in winter and in summer. The coming session will be held in Geneva. The council consists of eighteen members elected by the General Assembly for a term of office of three years. Retiring members are eligible for immediate re-election. Canada was one of its original members. After a lapse of one year, our country was elected for another three year term, starting in 1950.

The hon. members of the Committee might be interested in knowing who are the actual members of the council. From the Commonwealth of Nations: The United Kingdom, India, Pakistan, Australia and Canada. From Continental Europe: France, Belgium, Denmark. From Latin American Countries: Chile, Brazil, Peru, Mexico. From the Soviet Block, Russia, Poland, Czechoslovakia. From the rest of the world: the United States, Iran and Nationalist China.

At the opening of the tenth session, Hon. Hernan Santa Cruz from Chile was elected president of the Council for a one year term. Sir Ramaswami Mudaliar from India and Mr. Fernand De Housse, from Belgium, were elected respectively first and second vice-presidents. Sir Ramaswami is a very well known figure at Lake Success, having been the first president of the Council. He acted also as chairman of the Economic Committee and Mr. De Housse as chairman of the Social Committee.

MR. GRAYDON: May I ask a question? Is Sir Ramaswami now representing the government of India?

MR. Eudes: He is the official representative of India on the Economic and Social Council.

Each member State of the Council is represented by one delegate who may be accompanied by such alternate representatives and advisers as may be required. Although the Canadian delegation was not as large as that of some other countries, I am very pleased to assure the members of the committee that it was a very well balanced delegation and one of the most effective.

Canada had two alternates: Sydney Pierce, Associate Deputy Minister of Trade and Commerce, who handled the economic matters and Dr. Georges Davidson, deputy minister of National Welfare who took care of the social



questions. The chief adviser was John Holmes of External Affairs, assisted by Sydney Pollock of Finance, George Grande, Bruce Keith, Jean Côté of External Affairs and Major Terrence Pierce Golding of National Defence. Later and for a few days only Mrs. D. B. Sinclair of National Health and Welfare and Miss Margaret Meagher of External Affairs joined the delegation. We were also very efficiently assisted by the clerical staff of External Affairs.

Before proceeding further with this report on the tenth session of the Economic and Social Council, perhaps I should dwell for a moment on how our delegation worked. All our advisers had either served in various Canadian embassies and legations or had followed sessions of the different United Nations bodies. Such a training has made them familiar not only with the problems facing the Council but also with the views held by other countries on the solution of those problems, and thus enables them to keep our country well informed. As a consequence our government is then in position to take attitude on most of the items placed on the agenda and to send out general and broad instructions that will help the delegation in keeping our declarations abroad consistent with our policies at home.

At the tenth session the agenda included about forty items each of which referred to extensive reports. It was of course impossible that each member of our delegation read all those documents. One or two undertook that work and at the evening conference of the delegation, made a report. This was followed by a general discussion on the statement that, according to the policies of our government, to the views of other governments, to the facts and conclusions in the document before us, we should give before the Council. A draft of the statement was then prepared which was reviewed and corrected during the morning conference held at nine o'clock. Usually the statement was put in its final shape only as the debate in the Council developed. It has been our practice, in the Council to alternate between French and English, fact, that, I believe created a favourable impression among the other delegations.

Before I deal with some of the achievements of the Economic and Social Council during its tenth session, I would like Mr. Chairman, to pay a very sincere tribute to the zeal, the faithfulness and the unfailing sense of duty of the members of the delegation I had the responsibility and the pleasure of leading.

(Mr. Graydon assumed the chair.)

It is not my intention, because I presume it is not the committee's wish to discuss the forty items that were placed on the Council's agenda, I shall confine myself to a brief comment bearing on a limited number of items with which all delegations have been most concerned so as to give the committee a rough idea of the work performed by the Council.

The problems laid before the Council could be grouped under three headings: economic matters, social matters, organization and coordination matters.

In virtue of the Charter, the Council acts as a coordinating body for all the specialized agencies of the United Nations and is directly responsible to the General Assembly for the work of its functional and regional commissions. Using the experience accumulated during the past four years, the Council has undertaken the very useful task of clarifying certain aspects of its structure to give more effectiveness to its own work and to the work of its assisting bodies.

#### *Implementation.*

A very useful debate took place on the report of the *ad hoc* Committee on the Implementation of Recommendations from the General Assembly and from the council. Neither organ is entrusted with the executive power that could put into force the conclusions of their deliberations. Their only power is to make recommendations to governments of member states and to specialized agencies. The final success or failure of the council depends to a large extent on how clearly it is possible to determine whether its recommendations have achieved



positive results. Problems have arisen in this field. The council has found it difficult to assess the extent to which the recommendations are carried out. Member states in their turn have found difficulty in answering requests for reports and the Secretary General has found difficulty in circulating requests for reports and in preparing his reports to the council and to member states.

The *ad hoc* Committee had been asked to consider those difficulties, and to offer recommendations for improving the standard of replies and for easing the task of all three bodies concerned. With other delegations we have pointed out that the number of resolutions containing recommendations from the Assembly and from the council is very large, that those resolutions are often couched in terms lacking precision or bear on topics already dealt with or answered on requests from other organs. We insisted that those resolutions in the future be kept to a minimum that they be as precise and as clear as possible. We approve the suggestion brought forward that biennial instead of annual replies except when circumstances require otherwise be asked from member states so that governments be given enough time to carry out resolutions and to report on how they had been implemented.

### *Co-ordination*

In this same field of activity, the discussion on the item of co-ordination between the United Nations and its specialized agencies has given lead to practical solutions. In the past five years, as those specialized agencies have increased in number, as the United Nations has expanded in size and as its activities are widening, the necessity for co-ordination among the various organs and agencies has become more and more evident. Otherwise resources of manpower and funds arising out of lax management or duplication of effort could be wasted and thus would increase the already exceedingly heavy burden of international activity on member nations.

The Canadian delegation stressed the need for member governments to co-ordinate their international policies properly and expressed the view that it is indispensable to the development of sound and effective international action that the representatives of any one country should speak with a consistent voice at different international gatherings. For that reason Canada has gone to some length to develop adequate inter-departmental machinery within its own government for the co-ordination of its policies in various international bodies.

On another item a resolution was adopted that terminates the existence of inter-governmental organizations which have become unnecessary or the activities of which were or might be taken over by other bodies.

### *Non-Governmental Organizations*

On this chapter of co-ordination, I should mention the discussion which arose on the item on non-governmental organizations. The council took steps to control the privileges it had accorded to the NGO's. This improvement might be expected not only to assist the work of the council but also to lead the NGO's themselves to make a more helpful contribution.

Non-governmental organizations have the privilege of placing on the agenda and, after previous notice, of participating in the discussion of any item on the agenda. The experience of the past four years has shown that those privileges have been exploited for party propaganda instead of having been used for the noble purposes which inspired the provisions of Art. 71 of the charter.

The special committee appointed to revise the rights and privileges of NGO's, because of the irresponsibility in the manner in which certain NGO's had suggested and prepared items for the Council's agenda, had first recommended that their rights to propose items for the provisional agenda should be withdrawn. After an animated discussion in which the Canadian delegation played an important part, it was accepted that this privilege be retained but

that rules should be written into the statute to prevent it from being abused. It was felt that it would be undemocratic to deprive of this privilege those organizations which speak for large sections of world public opinion and which certainly play a part of inestimable value to the Council.

Consequently, the Council approved a new statute to govern consultative relations with the non-governmental organizations. Under this amended statute, adopted after four years' experience and exhaustive study by the Committee on NGO's and designed to improve the content and effectiveness of the arrangements for consultation between the Council, its subsidiary bodies and the secretariat on the one hand, and these organizations on the other. The items submitted by the NGO's will be considered by the NGO committee and if then it is decided that they meet with specific requirements, they will be referred to the agenda committee which will consider them in relation to all the other items.

The social questions considered by the Council included the Report of the Commission on Human Rights, Forced Labour, Trade Union Rights, The Draft Convention on Freedom of Information, the Reports of the Social Commission and of the United Nations International Children's Emergency Fund, The United Nations Appeal for Children, the report of the Permanent Central Opium Board, the interim report of the Ad Hoc Committee on Slavery, and a Request for Exemption of "ipecopan" from Provisions of International Conventions on Narcotic Drugs.

I shall deal very briefly, Mr. Chairman, with the more important of those items.

#### *Human Rights*

The Council examined those parts of the Report of the Commission on Human Rights which had not been discussed at its previous session. This report proposed that members of the Sub-Commission on Prevention of Discrimination and Protection of Minorities should participate in missions sent by the Trusteeship Council to trust territories. The constitutional and financial implications of such a proposal were clearly expressed in The Social Committee (Art. 91 Charter). In plenary session, a revised proposal was approved. According to it, the Council requests The Trusteeship Council to consider the advisability of keeping the Economic and Social Council informed of such violations in the full enjoyment of human rights and fundamental freedoms as may come to the notice of the Trusteeship Council.

The United Kingdom delegation introduced a resolution requesting the Commission on Human Rights to examine the form which the Yearbook on Human Rights might take in future years. This resolution was adopted. The Canadian representative, in the Social Committee suggested that the Yearbook should be revised at regular intervals, or addenda be issued from time to time, or particular aspects of this subject of human rights be dealt with in subsequent issues.

#### *Forced Labour*

In the past year, at the Council's request, the Secretary General had approached both members and non-members of the United Nations asking them whether and to what extent they would be prepared to cooperate in an impartial inquiry into the extent of forced labour in their respective countries. The Secretary General reported that 26 member states were prepared to cooperate in an impartial inquiry or to render assistance in some manner. Canada indicated its willingness to cooperate. It was generally felt that the Council should not at this session set up a commission of inquiry because such a commission would be useless in the face of the Soviet non-cooperation. Nor was it considered proper to drop the item from the Council's agenda in the absence of

the Soviet countries. The Canadian representative in plenary session expressed the view that a commission investigating at second hand by examining testimonials and documents and by hearing oral statements was not very practical. Other appropriate United Nations organs and specialized agencies which were already aware of the Council's concern with this problem, could apply themselves, through existing machinery to eliminate forced labour where it existed and where the declared cooperation of member states could be enlisted. The United States proposal deferring the item until the 12th session of the Council was adopted unanimously.

### *Trade Union Rights—Freedom of Association*

In 1948, the World Federation of Trade Unions, a non-governmental organization, brought a charge before the Council that trade union rights were being isolated in a number of non-Communist states. Another NGO, the American Federation of Labor, submitted memoranda to the Council claiming that rights of trade unions were being violated in Communist countries and calling for an investigation on broad lines of the situation in all member states. As a result, the Council authorized the Secretary-General to consult with the Director-General of the International Labour Organization, one of the United Nations' specialized agencies, with a view to determining the best means for the two organizations to adopt a common front against infringement of trade union rights. In August, 1949, the Council requested the I.L.O. to proceed on behalf of the United Nations with the establishment of a Fact-finding and Conciliation Commission on Freedom of Association. The proposals of the I.L.O. for the setting up of such a commission were submitted to the Council at its tenth session. The services of the I.L.O. Commission which will investigate alleged infringements of trade union rights in respect of freedom of association were accepted by the Economic and Social Council on behalf of the United Nations. The relevant resolution contains a provision whereby all allegations addressed to the Secretary General would be brought to the attention of the Council and placed on the provisional agenda. The Canadian delegation considered that this procedure would unduly burden the Council with protracted debates and preferred an arrangement whereby the Council would refer the allegations without discussion directly to the governing body of the I.L.O. for submission by them to the Fact Finding Commission. Because of our misgivings as to the system of having the Council consider each complaint, the Canadian delegation abstained on the resolution as a whole after explaining that apart from this reservation the resolution generally met the views of the Canadian government. The I.L.O. Fact Finding and Conciliation Commission will report regularly to the Council on all its activities.

### *Freedom of Information*

A procedural debate took place on freedom of information. The Council was considering a resolution adopted by the General Assembly at its fourth session, recommending to the Economic and Social Council that it requests the Commission on Human Rights to include adequate provision on freedom of information in the Draft International Covenant on Human Rights. The Indian, French and Belgian delegations started on this item to argue that the Council should recommend a separate convention on freedom of information. The United States representative remarked that it would be unwise to change the Assembly's resolution. The Canadian delegation supported this view on the ground that it was for the General Assembly to decide whether a separate convention on freedom of information was necessary in the light of the action taken by the Commission on Human Rights, more especially as freedom of information will automatically be placed on the agenda of the Assembly's fifth session. Finally, a resolution was adopted simply transmitting the resolution of the General Assembly to the Commission on Human Rights. In the field of



social matters, the Council approved the Social Commission's world-wide program of prevention of crime and delinquency, child and youth welfare, rehabilitation of the disabled, and exchange of information on housing and town and country planning.

The Council devoted the major part of its plenary sessions to economic matters, considering the following items: World Economic Situation and Economic Survey of Africa; Full Employment; Technical Assistance for Economic Development; Report on the Economic Commission for Asia and the Far East; United Nations Scientific Conference on Conservation and Utilization of Resources; United Nations Conference on Road and Motor Transport; Report of the International Bank for Reconstruction and Development; Report of the International Monetary Fund.

Owing to the close relation between the subjects in this category, they all became parts of a general discussion marked by a level of informed responsibility and a spirit of collaboration which represented a significant achievement. This discussion opened the way to solutions required by the urgent economic problems of the present time and especially the need for accelerating international action on behalf of the peoples of the world.

#### *World Economic Situation*

The item on World Economic Situation gave occasion to a general discussion to which almost all delegations contributed. This annual debate is based on a report of the Secretary General on Major Economic Changes during the preceding year. The discussion does not aim at specific resolutions or recommendations. It rather presents a survey of economic conditions and trends throughout the world and provides an opportunity for governments to exchange views as to the situation in their own countries and to offer suggestions as to measures which might help in raising the international level of economic activity.

The Canadian delegation stressed the necessity for the maintenance of stability in our own markets abroad and for the conduct of international economic affairs in ways likely to contribute to a rapid return to multilateral trade, convertible currencies, factors that we consider indispensable to the maintenance of international prosperity, based of course on a number of preliminary measures, some of which are not within the competence of individual governments like exchange rates, international investments, the establishment of free international exchange. Like other delegations we indicated briefly the conditions prevailing in our country and the economic prospects for 1950. The importance of the industrialization of under-developed countries was recognized by most members. At the end of the debate, the Council adopted a resolution which took note of the Secretary General's report on "Major Economic Changes in 1949" and drew the attention of member states of the United Nations, of the Economic and Employment Commission, of the Regional Economic Commissions and of the specialized agencies, to the views expressed by members of the Council concerning the world economic situation. A separate item on an economic survey of Africa submitted by the WFUNA was included in the provisional agenda, but on the recommendation of the Agenda Committee it was decided to combine this item with consideration of the world economic situation. The alternate delegate took the lead in the debate on an economic survey of Africa and submitted a resolution which would request the Secretary General to prepare a survey of economic conditions in that continent using readily available material. The United Kingdom representative on the other hand thought that a more extensive treatment of the economic problems of Africa in the U.N. annual report on the world economic situation would be



equally useful and more economical than a special survey. A lengthy discussion took place on this item and finally the U.K. proposal was accepted by a vote of 14-1, with India casting the only negative ballot.

### *Full Employment*

The United Nations' Charter imposes upon the council the primary obligation to promote full employment. The council had been concerned with certain signs in world economic activity which appeared to endanger post-war economic stability. The debate on full employment was based on a report of a committee of Experts representing fifteen countries. John Deutch and Sidney Pollock, of Finance Department sat on this committee which considered national and international measures to achieve and maintain full employment.

The Canadian delegation insisted that our economic needs require sound national policies combined with effective international co-operation in the pursuit of the aims of the United Nations Charter. We emphasized that the consideration of problems of the complexity of those dealt with by the experts involved the thorough examination of vital aspects of government policy. Some of the proposals, especially those in the international field, meant the adoption of untried concepts implying heavy commitments. In order to make decisions on matters of such importance, we supported the view expressed by other delegations that ample time should be given to governments to examine the theoretical conclusions and the practical proposals of the experts so as to decide the extent to which those proposals might be applicable to conditions at home in the different member countries. All delegations urged the necessity of thorough study of the report by member governments. As the document had not been available in sufficient time, it was agreed that detailed consideration of the experts' recommendations should be deferred until the next session. Meanwhile, members of the United Nations, specialized agencies non governmental organizations, and representatives of production, trade and labour are requested to study the report and submit their comments to the Secretary General. Considerable discussion of a preliminary nature took place and the statements of all delegations indicated the seriousness with which their governments regarded this aspect of the council's activities.

The council studied very seriously the economic progress of under-developed areas. It was the feeling of all members and especially of our delegation, because our prosperity depends to such a large extent on the widening of world export trade, that the solution of this problem is essential to the achievement and the maintenance of world economic activity and stability. A report was received from the Economic Commission for Asia and the Far East which is accomplishing a contribution of value in this sense.

The Expanded Programme of Technical Assistance to Underdeveloped Countries, on which I intend to dwell at some length in my report to the House when the estimates of the Department of External Affairs are being considered, marks the beginning of a positive solution to the most urgent needs of those areas and will promote industrial progress and open new avenues to world trade.

The Council received the report on the conference it had convened on the Conservation and Utilization of Resources and adopted a resolution expressing the council's desire that studies of this kind should be intensified and be made available to governments.

Reports were also received from the International Monetary Fund and from the International Bank for Reconstruction and Development.

Mr. Camille Gutt, managing director and chairman of the executive board presented the report of the fund. He emphasized that today it was no longer important only to produce, it was essential to sell. The need for imports exceeds the capacity to pay for imports. To help in the solving of the problems of the balance of payments, he favoured the increasing of exports rather than the

reducing of imports. At the request of the Canadian delegation, he gave up-to-date information on the effect of devaluation. He assumed that devaluation itself could not assure a shift in dollar payments. The policies, rather, that affect investment, credit, taxes and government expenditures, wages and consumption would determine whether goods would be available for export on a sufficient scale and whether they would be offered at prices which would open larger dollar markets.

Mr. Eugene Black, president of the International Bank, explained the bank's leading activities and stated that the scope of its technical aid was continually widening. He recalled to the council that the bank's essential objective is to help raise production levels and living standards through long-term financing projects, providing technical assistance and stimulating international investment.

I think, Mr. Chairman, that I should now conclude and apologize for having taken so much time of this meeting. I have tried to explain the functions of the Economic and Social Council and to report very briefly the activities and achievements of its tenth session. It is to be noted that the business of the council is of a continuing nature. Its work cannot be judged in isolation at the end of each session, but must be related to everything that has been accomplished in the past. The council is engaged in the solution, in a short space of time, of problems which have been neglected for years. It is likely that, because of the nature of the matters it discusses, the council's work will become evident only with the passage of years. It is hoped that its achievements will bring positive results in the international field and contribute to the betterment of the economic and social life of human beings all over the world.

**THE VICE-CHAIRMAN:** Thank you, Mr. Eudes. I think I reflect the views of everyone on the committee when I say that this is a most comprehensive and a most constructive and enlightening report down to almost the last detail of your representation on the Economic and Social Council. Far from any necessity of your apologizing for taking up our time it has been valuable time well spent and I want to thank you on behalf of the committee generally for the time and energy and the effort you have put into a contribution to our committee's session such as that.

(Mr. Bradette, Chairman, resumes the chair.)

**MR. COLDWELL:** Is any attempt made by the committee of experts to define full employment? I remember at the San Francisco Conference both Mr. Graydon and I were on the committee which set up the Economic and Social Council, and I remember at that time we had considerable discussion, and I was wondering if any attempt was made in this report you referred to to define full employment.

**MR. EUDES:** We had to consider the report of the experts and the comments on it by the Economic and Employment Commission. A resolution was adopted asking the members to present their views on that report at the next session. The report came before the Council too late and the delegates felt, because the adoption of the report implied heavy commitments, that they should before accepting the conclusions of the report consult their own government.

**MR. COLDWELL:** I wonder whether, in this report you have seen, full employment is defined in any way? Now, in some countries, they consider two per cent, in others three per cent, and in some five per cent.

**MR. EUDES:** No, I cannot give you details from memory. I remember though that each government should adopt a full employment target. If unemployment reaches a percentage higher than that allowed by the full employment target, international and national measures to compensate unemployment should be applied automatically.

**MR. COLDWELL:** But there was no general definition of the term "full employment"?

Mr. CÔTÉ: Mr. Chairman, if I may ask my friend, I would not like to be quoted as saying "my friend" because I am very sympathetic to the gentleman who just made the report. I would like to be quoted as saying that I have never before heard so good a report. I never thought that the honourable gentleman was a newspaper reporter. It was really a wonderful report and from what I gather it was more a preliminary meeting to deal with a great many things than it was a meeting to deal with specific references. Am I right or wrong in that?

Mr. EUDES: Replying to Mr. Coldwell, Mr. Chairman, I do not think there was a general definition of the term "full employment" in the experts' report. It was my first experience with the United Nations, and of course, with the Economic and Social Council. I gathered the impression that the council after four years experience wanted to strengthen its own position and to get down to business. The council divided so much time to co-ordination and organization matters at the beginning of the session, and I think the council did a very useful job as I mentioned about N.G.O. and co-ordination of specialized agencies. I always received reports. Some delegates to the council, especially the French delegates and the American delegates, do not wish to be considered just as rubber stamps or as mail boxes receiving reports and sending those reports back to their own governments. They want to be able to go to their own governments and tell them what they think of the situation and of the problems and what conclusion was reached.

Mr. GRAYDON: I will preface my question to Mr. Eudes by saying that in my experience, and I think perhaps in the experience of those who have attended international meetings from time to time, sometimes the impressions of a new person coming to the gathering for the first time are of extreme importance, and for that reason I am going to ask Mr. Eudes if he would mind indicating to the committee the main weaknesses that he found in the operations of this particular specialized agency and what occurred to him as being for the betterment of the organization.

Mr. Côté: If I may interject at this moment before the gentleman answers. My honourable friend has been to international conferences, and he knows very well he is putting my honourable friend, who is a close friend of mine, in a tight spot. First of all, he was not only representing himself; if he were, he could possibly answer your question. He was also representing a nation, and in a gathering like that I think it was not intimated to Canada that they should run the show; and, secondly, if I am not mistaken also, not only were they not asking Canada to run the show but maybe they were not asking Canada things that you would like to have answered. I am one believer that we should remain within our scope; in baseball terms, we are neither pitcher nor catcher, we may be in the outfield. We are a nation and I am sure that such a distinguished representative of our country did his utmost but he cannot involve the government of Canada to take steps or indicate or intimate a policy or a step forward or backward, as you want him to answer; as regards these international conferences, that Mr. Coldwell has attended and Mr. Low, I think, also has attended some, I do not think you felt any inferiority complex.

Mr. GRAYDON: Mr. Chairman, may I say one thing? I directed my question to Mr. Eudes in the original instance and perhaps we need that cleared.

The CHAIRMAN: I believe the question was one asking information but it will be left to the discretion of Mr. Eudes to answer personally. If I were asked the question I would certainly answer it. Our delegates go there not only as representatives of Canada but also as observers and anything, we believe, that would improve some of the activities of the United Nations should be mentioned here.

Mr. EUDES: I will be very pleased to try to answer questions.



Mr. COLDWELL: Those are not specialized agencies. It is an organ, it is not a specialized agency.

Mr. GRAYDON: I am sorry, yes.

Mr. EUDES: It is not an easy question. In answer, I may say, that the Council's discussions are based in general, on reports that during this session have come too late. As a consequence, a debate in very broad terms took place, the reports were tabled and a resolution taking note of the report was adopted. Detailed consideration of the report and of the item based on it, was deferred to the next session, so as to give an opportunity to member governments to study the report and to make comments. I believe that the only report that I have studied is the report produced by the International Bank or the International Monetary Fund. We only had statements made by Mr. Goode and by Mr. Black, and there was no discussion as to that. There was discussion but not detailed discussion—just appraisal of the report. A resolution was moved approving the fact that there should be study.

Mr. CÔTÉ: Was Canada under any circumstances asked to lead the discussion or to take any step—

The CHAIRMAN: I do not believe Mr. Eudes has completed his statement.

Mr. EUDES: Judging from this first experience I had with the United Nations and, of course, with the Economic and Social Council, I do not think, I am in a position to indicate more clearly to the members of the committee what is the weakness, if any, of this organ of the United Nations.

Mr. COLDWELL: You have indicated one weakness.

Mr. EUDES: That the reports came too late.

Mr. GAUTHIER (*Portneuf*): They bring in the reports too late?

Mr. EUDES: I emphasized that.

Mr. JUTRAS: We are talking now of the Economic and Social Council.

Mr. GRAYDON: I used the words "specialized agencies" but I meant the Economic and Social Council. I used the wrong term.

Mr. JUTRAS: Of all the organs of the United Nations possibly the Economic and Social Council should be the last one to be judged at this stage. What I mean is that it is probably the one in the most fluid stage. It has been mentioned by Mr. Eudes, and I think it is quite true, that the Economic and Social Council so far has dealt with problems of an immediate nature—postwar economic problems arising in Europe on account of the war, the allocation of material, the International Refugee Organization, and the European Economic Commission.

Mr. EUDES: I believe the most important problem before the Council will be the economic development of and technical assistance to underdeveloped countries.

Mr. JUTRAS: So far they have been problems of an immediate nature and they are just now embarking on the long range problems of technical assistance.

Mr. GRAYDON: May I ask about technical assistance in undeveloped countries. The Economic and Social Council has been instituted now for five years. This is its tenth meeting and still, in spite of that, the President of the United States has called for a large scale program of technical assistance to undeveloped countries. I wonder whether the program was fitted in with that of the Economic and Social Council endeavours on a world-wide front, or whether the President of the United States felt that the Economic and Social Council was far behind in its province and that something much more progressive, much more advanced, and much more rapid had to take its place? I would like to have any comments Mr. Eudes would like to make on that?

Mr. EUDES: I intend to deal with that in my report before the House on the estimates of the Department.



Mr. GRAYDON: I am not quite clear on this and perhaps you might clear it up for me. Do I understand that the committee only receives part of Mr. Eudes report on the Economic and Social Council and that he divides it and gives it to the House later?

Mr. EUDES: Not exactly. My intention is, when an opportunity will occur, to make a statement before the House.

The CHAIRMAN: There will be no division but I believe your question could be put to some officials of the department rather than to Mr. Eudes.

Mr. CÔTÉ: As far as the report is concerned I have never seen such a good report—and I used to be a newspaper man—and it was what we call independent. To cope with my present question I wonder whether Mr. Eudes will have no opportunity before the end of the session to report on his mission and to elaborate on the picture. I would like him to elucidate a little and it might clear up the question put by my honourable friend. Was Canada ever put on the spot?

The CHAIRMAN: That is a wide question.

Mr. STICK: May I ask who appointed Mr. Eudes and Mr. Jutras to go to the United Nations? Did the House of Commons appoint them?

The CHAIRMAN: It would be the government.

Mr. GAUTHIER (*Portneuf*): It was a government appointment.

Mr. FRASER: The cabinet.

Mr. EUDES: In answer to Mr. Côté's question, Canada like other countries is always on the spot.

Mr. CÔTÉ: Has Canada been asked to take leadership, for instance?

Mr. EUDES: It is up to each member to take leadership if he so feels.

The CHAIRMAN: We must realize that Mr. Eudes and Mr. Jutras were delegated by the government or by parliament to attend those meetings and they come before us now not as witnesses but as delegates rendering assistance on some of the things they have seen.

Mr. STICK: If they are appointed by parliament should they not report to parliament first?

Mr. COLDWELL: This is a committee of parliament.

The CHAIRMAN: These two gentlemen were delegated by the government to go to the United Nations and we thought it would be appropriate for them to appear before us. I believe it has done us some good and we have listened to all of what Mr. Eudes and Mr. Jutras have said. However, I believe it would be hard to go much further.

Mr. LEGER: I do not believe in any case that Mr. Eudes and Mr. Jutras report to the government. They report to the Department of External Affairs. They are sent by the Department of External Affairs and I would presume therefore their report really is to that department.

Mr. McCUSKER: Do these discussions have to be written into our minutes?

The CHAIRMAN: I do not think so.

(Discussion off the record.)

Mr. GRAYDON: May I just say a word. There is a danger of the committee's procedure getting into a state of disorder. I had no intention of intending to cross-examine Mr. Raymond Eudes but I had the idea of obtaining some clarification of the statement that he made, and I would like to have had clarification; but if the committee decides that he is only here to give a report and not to qualify the report in any way I suppose we will just have to be satisfied with that. Those of us who have appeared before committees have subjected ourselves to questioning after other conferences—and I am thinking

particularly of one, when I made a report and answered questions without hesitation. I think Mr. Eudes would do the same thing. I do think too that when a report is made to the committee it carries with it the implication that questions can be asked with respect to clarification of it, and I think the question I asked is one that ought to be answered. I think Mr. Eudes has the information and it is a most important question dealing with the Economic and Social Council at the moment.

The CHAIRMAN: There is no doubt but what Mr. Eudes cannot be limited by our committee with respect to any comments he wishes to make. Perhaps you would repeat your question?

Mr. GRAYDON: Perhaps I could put the question in a more brief form. Is the United States government's immediate program of technical aid for undeveloped countries correlated with that of the Economic and Social Council or is it outside of its activities?

Mr. CÔTÉ: Before you answer that—

The CHAIRMAN: Mr. Côté, please. The question is well put.

Mr. CÔTÉ: It is well put but I would like to have it clear—

The CHAIRMAN: Order.

Mr. CÔTÉ: I am not going to submit my friend to answering the question before we know the terms of reference.

The CHAIRMAN: Order, order, Mr. Côté; there is nothing sinister about these activities at the present time and the question is well put. If Mr. Eudes wants to answer it is within his prerogative. We cannot compel him to answer.

Mr. CÔTÉ: It is not within the terms of our reference?

Mr. EUDES: The President's program is certainly correlated with that of the Economic and Social Council's program. I cannot say that from its inception that was so, but now there is something similar between both.

Mr. JUTRAS: I may add to that a word because we dealt with the first part of that in a way—not in the Economic and Social Council but it came up in the fifth and second committees. There has always been since the start an organization, a part of the Economic and Social Council that did deal with it, and, if I may discuss it in financial terms, there was talk of about \$150,000 a year for that section.

Mr. GRAYDON: Which section?

Mr. JUTRAS: For the economic part of the Economic and Social Council, dealing with technical assistance to underdeveloped countries. Their function up until the point four program came into operation was to give information and assistance in a general way to those undeveloped countries.

Mr. GRAYDON: To the extent of \$150,000?

Mr. JUTRAS: That happened to be the budget in the past—before 1949. Now, in 1949, when President Truman brought out the point four program this activity of the Economic and Social Council was stepped up to a certain extent.

Mr. GRAYDON: How much?

Mr. JUTRAS: In round figures I think the estimates were about \$250,000—about three times as much, but the program should not be judged on the money appropriation because the Economic and Social Council will only supply the staff and office space and co-ordinate. Technical assistance will be given through the Technical Assistance Board and there is a Technical Assistance Committee which is more or less the Economic and Social Council and the money to pay for the technical assistance program will come out of a special fund which is a voluntary fund, contributed to by member states and it is not money from the United Nations proper. The fund has not yet been set up.

Member states are meeting some time this month. There is a technical assistance conference of all member states to determine what contributions the states will make towards that fund to pay for technical assistance to those underdeveloped countries. Now the money of that fund will be used to pay for expenditures in foreign currency only. That is the idea so far, anyway.

In other words if a project is undertaken in a certain country they will be expected to bear the cost of the project but if the experts go from the United States or from Canada to those places, that part of the expense will be borne by the organization of the Technical Assistance Board and paid out of the voluntary funds contributed to by member states. The United Nations as such, and the Economic and Social Council, will take care of the permanent staff work, the secretariat, and so on, that is required to keep the scheme functioning.

Mr. STICK: I may be wrong but I am under the impression that the United States is supporting this economic conference but I am also under the impression that there is nothing to prevent them from giving direct aid. They are working through the United Nations but they are going beyond that. It is my impression from reading despatches that the United States is voting large sums where they are giving direct aid to various countries. You also remember they met at Sydney—a conference took place not long ago—and they considered economic aid through various agencies but there was nothing about the United Nations in that.

The CHAIRMAN: I would like Mr. Graydon to complete his questions.

Mr. JUTRAS: In part the answer is that the United States has been giving technical assistance to their colonies, and the same thing has been done by Great Britain for many years. Three years ago they embarked on quite an extensive program—before the scheme of the United Nations came into being. The United States was doing the same to a large degree, and I believe France is as well. I am just giving my impression and my feeling is when so many countries were doing it they decided to get together and co-ordinate those activities under the United Nations.

Mr. STICK: They can give direct aid if they wish?

Mr. JUTRAS: Oh, yes; there is nothing to curtail them.

Mr. EUDES: Might I add something. Since the third meeting of the General Assembly, the Economic and Social Council had been considering what is called the regular or limited program of technical assistance. There is now one which I mention in my report that is called the expanded program.

Mr. GRAYDON: My understanding is that the United States government is making plans now for large scale assistance of a technical nature to countries such as those in southeast Asia where some of the greatest international acuteness exists. I will be greatly surprised if the United States is not completely by-passing the United Nations organizations in doing that; and I would think because of the urgency in the matter the temptation would be very great and perhaps would be very readily forgiven. I am wondering whether in perhaps discussing an organ of the United Nations, such as the Economic and Social Council, they perhaps point out the fact that when a slow-going very hesitant machine in the United Nations tries to do a job of this kind and when the rush and urgency comes it falls by the wayside. I am rather inclined to think from the technical assistance end that is just what has happened to Economic and Social Council for the time being, great as their work appears to have been on paper.

But, as Mr. Jutras has pointed out, by the very fact that they are not in possession of great funds to carry on work of that kind, some nations do have a particular interest in seeing to it that imperial communism is contained as far as it can be in its present position—that it is only natural that the economic and social council would be by-passed in the flow and tide of events which have pretty well inundated many of the organs of the United Nations.



Mr. STICK: As a matter of fact, I believe there is some \$75 million which has been voted in the United States and part of that money is going to be used in an endeavour to help Indo-China. I do not think they are going to ask the United Nations to spend that money.

Mr. JUTRAS: I do not think it is really the function or that it would be really the function of technical assistance program to be inclined to have an immediate plan of operation.

Mr. GRAYDON: Well, it is the United States government.

Mr. EUDES: Well, I think that possibly the way I would look at this plan would be as a very long-range plan and not to solve an immediate problem but to solve a long-range problem and it is bound to be very involved and as such I would think that it would be probably the part of wisdom to make very sure at the beginning that the ground is properly laid. There is possibly some merit in not going too fast, particularly at the start.

Mr. CÔTÉ: My plan is—

Mr. EUDES: I might add something. Of course, it is impossible for me to say what the United States government had in mind when the President issued that declaration on the "Point Four" program, but there is the fact that at the council this program was referred to by many delegates during the debates on full employment, on "major economic changes" and on technical aid and assistance to underdeveloped countries.

Mr. GRAYDON: So far as you are aware no part—

Mr. EUDES: There is certainly a very close relation between the expanded program of technical aid and assistance to underdeveloped countries that the council will consider later and the program announced by the President of the United States.

Mr. GRAYDON: No part, so far as you are aware, of the United States government appropriation for this purpose has found its way into the United Nations for assistance?

Mr. EUDES: I am not in a position to answer that question.

Mr. GRAYDON: May I ask one other question? How is the general world division between the west and the east affecting the work of the Economic and Social Council?

Mr. EUDES: At the opening of the session, a resolution was moved by the Russian delegate to oust the nationalist Chinese delegate, supported by Poland and Czechoslovakia. Of course, this resolution was turned down and the delegates of the Soviet countries walked out. After that everything went smoothly and there were not very many points of discussion during the session. Most of the resolutions were adopted unanimously except on a few minor issues.

Mr. GRAYDON: Did they walk out at the beginning of your session?

Mr. EUDES: The first morning.

Mr. HANSELL: I will predicate my question by saying that this is the first year I have been on this committee and I am not altogether acquainted with the tremendously involved and intricate things that go on in the United Nations. The term "undeveloped countries" has been used. I would like to know what they are and where they draw the line between an undeveloped country and one that is developed.

Mr. EUDES: Well, that is one of the first questions I asked myself. I could say that underdeveloped countries are those who want to receive aid and assistance from the United Nations. Generally speaking what are called "underdeveloped countries" are South American countries, African countries—India and East Asia. But there is no definition and there is no official line.

Mr. HANSELL: No formula you use?



Mr. EUDES: No.

Mr. FRASER: You would have Central America in that as well?

Mr. GRAYDON: I take it that the standard of living has something to do with the yardstick?

Mr. EUDES: Well, according to the program of Technical Aid and Assistance, I do not believe that we really need a definition of underdeveloped countries because this program would apply to all nations needing assistance.

Mr. CÔTÉ: Were any of the countries asked to contribute basically on the functional basis, if I can use that term? These countries like ourselves and the United States and others that would be called upon to aid those countries that were undeveloped—were they not asked just on the simple principle that was exemplified by the former Prime Minister, Mr. Mackenzie King, and the Minister of External Affairs, and was carried on, I think, in logical sequence, that we would proceed towards helping others on a functional basis, and everybody should do the same?

Mr. HANSELL: Mr. Chairman, is that a question?

Mr. CÔTÉ: This is a question, yes. And that would be a sequel to my first question, that I think Canada was not asked to produce more than it could to go on helping others that were not in the same standard of living as my hon. friend said, so as to help others but on a functional basis, functioning on a certain scale, producing so many bushels of wheat and barley and so on and so forth; and we were having such a standard of living that Canada was asked to do more than that. Was that it?

Mr. HANSELL: Is that a question or a statement?

Mr. CÔTÉ: That was the established policy of the government and I think we have been carrying on on that basis.

The CHAIRMAN: Of course, Mr. Côté, in a matter of this kind the established policy of parliament has been to co-operate fully with the United Nations activities, and that is about the only answer that can be given on that point.

Mr. HANSELL: I wonder, Mr. Chairman—perhaps this is not a fair question—could we have the officers in the department on those items?

The CHAIRMAN: Yes, we could. That is item 73, United Nations Organization. There were some technical questions, but I believe it would be unfair to some extent to ask any questions of policy of Mr. Eudes.

Mr. HANSELL: What I was wondering is whether we can get a breakdown of the amount of money that was spent on each of these undeveloped countries? That might not be a question that Mr. Eudes could answer. Will we have an opportunity?

The CHAIRMAN: Yes, we are on that item now. I believe Mr. Eudes has done a very fine job of work in that connection.

Mr. EUDES: Thank you.

Mr. GRAYDON: Just before Mr. Eudes goes, as a matter of information, what will be the purport of your report to the House of Commons when you make it on external affairs?

Mr. EUDES: Well, I want to deal with some of the aspects that have not been dealt with in this report.

Mr. GRAYDON: This would be like the first part of your report?

Mr. EUDES: The other one will be more general and not bearing exactly on the same items.

Mr. GRAYDON: It will not be a repetition of this report but will be on other matters?

Mr. EUDES: Yes.

Mr. Côté: Might I move, seconded by my good friend, a vote of thanks to you, Mr. Raymond Eudes?

Mr. EUDES: Thank you.

The CHAIRMAN: I believe we still have some time at our disposal. We have Mr. Moran here. I believe he was to answer some questions put by members of the committee and I do not know if it would be possible to answer the question of Mr. Hansell on item 73. Would you rather leave that over and we will deal with that in another meeting?

Mr. MORAN: Is that the question dealing with the assistance to Canadians?

The CHAIRMAN: No, that is a breakdown of the activities and expenditures of the United Nations Organization item 73.

Mr. HANSELL: What I wanted was a breakdown of the amount sent to undeveloped nations—to what nations and the amounts, if possible.

The CHAIRMAN: Will you take that as in order?

Mr. FOURNIER: Do we go to the general fund for the undeveloped nations? Have we started our contributions there?

The CHAIRMAN: Not yet.

Mr. FOURNIER: Is it expected that we will contribute next year?

**Mr. H. O. Moran, Department of External Affairs, called:**

The WITNESS: I cannot answer that. I am not entirely sure what fund you are referring to.

Mr. FOURNIER: Well, what we were talking about in the last few moments, the funds which were provided by the members of the United Nations in order to help undeveloped countries.

Mr. STICK: Mr. Chairman, if we do not contribute to the undeveloped areas how can we ask the question?

The CHAIRMAN: I believe we would like to sit until 6 o'clock. There were a few questions to be sent to Mr. Heeney but he is not at this meeting. We have Mr. Moran with us who is going to answer some questions relating to his department. Would it be satisfactory for Mr. Moran to substitute for Mr. Heeney?

The WITNESS: One question of which I have a record unanswered from the last meeting of the committee is a question by Mr. Fleming asking for the total of outstanding amounts advanced to distressed Canadians abroad under vote 69.

Mr. Fleming is not here. I am not sure how far back he wants me to go. I have figures for the year 1947-48 up to date.

Mr. GRAYDON: Perhaps you might put those in the record in the meantime, Mr. Moran.

The WITNESS: Will that satisfy everyone?

Mr. GRAYDON: I cannot say if it will satisfy Mr. Fleming, but in the meantime it can go on the record.

The WITNESS: The second question was one by Mr. Hansell concerning the number of persons to whom help under vote 69 was given last year. The answer is 128. Similarly I have the figures for the two previous years if they are required.

The third question was asked by Mr. Fraser, concerning the membership and budget of the United Nations Association of Canada. The information which is available to the department is that the present membership is approximately 3,800 distributed among twenty-two branches from coast to coast. The

1949 budget was set at \$25,000, but expenditures totalled only approximately \$20,000 because that was the total of receipts. That total included a \$5,000 grant by the Canadian government.

*By Mr. Fraser:*

Q. Then they took in \$15,000 besides that?—A. That is right.

Q. Was that for membership fees or what?—A. It would be principally for membership fees. I suppose the 25 cents admission which they charge to non-members for some of the lectures which are given under the United Nations Association auspices would account for some of it. For example they have had some lectures at the Glebe Collegiate in Ottawa and they would be a source of revenue.

Q. That would not include your monthly bulletin that some people get?—A. No.

Q. That would have to be sent to them direct?—A. Well, they pay for the monthly bulletin but get it at a special rate—at the special student rate. Their 1950 budget has been tentatively set at \$25,000.

Mr. BATER: Mr. Chairman, just what number are we working on now?

The CHAIRMAN: Mr. Moran is answering some questions asked at our previous meeting.

The WITNESS: The fourth question asked by Mr. Fraser was: was there any decrease in the number of countries contributing to I.R.O. during the past year? The answer is no. On the contrary there was an increase as Switzerland and Italy have since ratified the I.R.O. constitution. The total number of countries is at present eighteen.

*By Mr. Fraser:*

Q. Well, the United States has said they were going to drop out of it at the end of this year, so that would bring it down to seventeen, I presume?—A. I have no official knowledge of that.

Q. There was a printed report—"U.S. aid to cease in 1951, I.R.O. told." That was a statement made on March 20 at Geneva by Mr. Warren.

Mr. STICK: They will probably change their minds before next year, anyway.

Mr. FRASER:

Geneva, March 20—The United States bluntly told members of the General Council of the International Refugee Organization today that there would be no more American money for the international care of refugees after March, 1951.

George Warren of the State Department said in the council meeting that after the appropriation presently going through Congress had been approved "Congress won't be prepared to consider further requests for funds." Mr. Warren said he spoke on the explicit instructions of the United States government.

Q. It will be in some statement later on?—A. No, it was my understanding that this would serve the purpose.

Q. Those are the totals. What we would like to have is a breakdown showing how these individual items are made up.—A. That could be prepared. It would be helpful if we had some indication of the sort of headings; in other words, into what detail you would like to go.

Q. Well, for instance, travelling expenses, living expenses, general expenses that go with a delegation of that kind; a breakdown into items that your department would carry normally in your accounts which I should think might be



very readily obtained because you have them all in your accounting system which would do very well for our purpose.—A. That could be done.

Q. For each of the items as they appear here. I think we ought to have that.

The CHAIRMAN: Does that answer all the questions you have before you?

The WITNESS: Those are the only questions of which I have record, Mr. Chairman.

Mr. FRASER: I wrote a letter to Mr. Heeney and I think he mentioned the fact that he had been in touch with the chairman about it. I asked for a breakdown of removal expenses amounting to \$245,000, and then the corresponding item for the fiscal year 1950/51; and third, I also indicated that I would like to have the names of the persons or officials incurring such expenses; and fourth, a breakdown of expenses in connection with air travel to the conference at Colombo.

The WITNESS: Yes. The questions to which I have been referring were those remaining from the meetings of this committee. I have some information here in reply to the questions contained in Mr. Fraser's letter; if it is your wish, Mr. Chairman, I could give it now?

The CHAIRMAN: Have you a breakdown of the information requested by Mr. Fraser?

The WITNESS: Yes.

The CHAIRMAN: Is it a very long one?

The WITNESS: Well, I might just say a word on the questions if I might. The first question was a breakdown of the travel and removal expenses on page 113 of the 1950/51 estimates. This is an amount of \$245,000. It is extremely difficult to give a breakdown of an estimate. That is the figure it is estimated will be required for that purpose during the next twelve months. I have a document showing the method by which we arrived at that total.

*By Mr. Fraser:*

Q. That is one thing I would like to get. I believe it was in Department of Transport estimates, also in the Citizenship Branch and the estimates of other departments, but they were just estimates and they had nothing on which to base them.—A. I would prefer not to make public this document. It is marked confidential. I have no objection to showing it to Mr. Fraser if that is agreeable. My reason for not tabling it is that some of the information contained in this estimate obviously cannot be made public. For example, some two weeks ago, the appointment of General Pope to Brussels was announced. This estimate includes the cost of his removal from Bonn to Brussels.

Q. That is not confidential.—A. It is not now, but there are some similar future moves in here.

Q. I see what you mean; there are others that may be moved and you don't want to have it published until their move is fully authorized.—A. It is not the public so much as the individual concerned that I am thinking of. The move contemplated may not materialize for some reason or other.

Q. I can appreciate that.—A. For example, we show here the removal of Mr. A. J. Hicks from Frankfurt to Ottawa. That move will be carried out and Mr. Hicks has been told that he will be returned to the department to work in the consular division at the end of August. However there are other moves which are contemplated but which may not take place until next February and the individuals concerned have not yet been told.

The CHAIRMAN: It is lengthy?

The WITNESS: It is a four page document.

Mr. FRASER: Yes, that is the first question.



The WITNESS: The total that we came to was \$246,175.

The CHAIRMAN: It remains confidential but any members who wish to may have access to it.

Mr. BATER: And you estimate that amount at \$246,000?

The WITNESS: Yes, on this we have it worked out to \$246,175. It is almost inevitable that some of these moves may not take place for one reason or another.

*By Mr. Fournier:*

Q. And there may be other moves which you have not been able to foresee which will take place?—A. That may happen. Next is a breakdown in detail of the item in the 49/50 estimates of \$250,000. Again, I do not know the extent to which Mr. Fraser wanted that broken down. I have a six page document which lists the means alphabetically with the amount charged against each individual.

*By Mr. Fraser:*

Q. Is it too long to put on the record?—A. It is lengthy. You find items like \$5.60 and \$3.25 included. You might wish to have something showing only amounts of \$500 and over, or whatever amounts you might wish to list.

Q. That would be all right. I think we had better look at it first, then I will decide if there is anything else we need.

*By Mr. Fournier:*

Q. All travelling expenses are paid by the government. I suppose somebody has to O.K. the items. Who are the people in the Department of External Affairs charged with that responsibility?—A. There are three people in the department who may give their approval; the Under Secretary, the Head of the Financial Division, and myself. Now, I understand, that you also wanted to know the names of the persons incurring such expenses?

Mr. FRASER: That is right.

The WITNESS: Then you wanted to know the cost regarding air travel to the Colombo Conference.

*By Mr. Fraser:*

Q. Would it be possible to give a breakdown of expenses and total cost of this trip; also, those taking part in the trip?

The WITNESS: Those taking part were Messrs. L. B. Pearson, Escott Reid, A. R. Menzies, D. V. LePan, H. H. Wright, T. M. Beaupre, G. R. Heasman—those last two of the Department of Trade and Commerce—and Miss L. MacIntosh. Those are the people who made the complete return trip. In addition there are those who travelled part way either going or coming: Mr. R. W. Mayhew, A. H. Sager.

*By Mr. Fraser:*

Q. What department is he in?—A. Fisheries. Miss M. Millard—and I should have said that Mr. Mayhew and Mr. Sager joined the plane at Ceylon and Miss Millard joined the plane at New Delhi on its way back to Ottawa.

Q. Was she with the department?—A. Yes. Mr. D. M. Johnson who is the Canadian High Commissioner to Pakistan remained in Pakistan following the Colombo Conference; and the following four people are members of his staff who left the plane in Karachi on the way out—Miss E. Blakey, Miss W. D. Bingham, Miss D. Lee and C. W. Hooper.

Mr. Pearson told this committee that the share of the cost to the Department of External Affairs was \$7,571.33 which was apportioned among those making

the flight as follows: the first group of eight persons who made the complete trip, \$630.94 each; the second group of eight who made a one-way trip either from Ceylon or India to Ottawa, or from Ottawa to Pakistan, \$315.47, which I believe makes a total of \$7,571.33.

Then there were certain individual expenses of members of the delegation for which expense accounts were submitted in a total amount of \$2,415.80. There were sundry expenses for the delegation including items such as telegrams between Ceylon and Ottawa, and the cost of entertainment. I do not know whether it took the form of a dinner or reception. There was a reception I believe for representatives of other governments participating at the conference in Colombo; there was a reception at Tokyo, as well as a number of sundry items. They totalled \$2,167.

Q. That is the limit, is it?—A. Yes.

Q. Thank you.—A. The last thing which appears to be outstanding is the question of permanencies in the department. There was some discussion about that at an earlier meeting.

Mr. FOURNIER: If the answer is to be very long, Mr. Chairman, I would move that we adjourn.

The CHAIRMAN: I suppose you will be accompanying Mr. Heeney, to the next meeting, Mr. Moran? But before we adjourn I am thankful to you for your assistance and for your good attention and work. We shall try to have the next meeting at 11:30, because it is quite a problem to arrange meetings. We hope to have it on Friday of this week and I believe we may succeed in getting through the remaining items 73, 74, 75, 76 and 82 at our next meeting. I may say that we have received a new order of reference today from parliament as follows:

June 5, 1950. Ordered that the following resolution be referred to this committee: "Resolved that it is expedient that the House of Parliament do approve the Convention of the World Meteorological Organization signed at Washington on October 11, 1947, and tabled on February 14, 1949. And that this House do approve the same.

I believe that your department will see that we have the proper officials present next week.

Mr. GRAYDON: They will not be officials of the External Affairs Department but rather of the Department of Transport.

Mr. FOURNIER: It is a highly technical business.

Mr. MORAN: It is a convention which is a matter principally for the Department of Transport.

Mr. GRAYDON: Does the Department of External Affairs enter into it?

Mr. MORAN: Only in so far as it will be a specialized agency of the United Nations.

Mr. GRAYDON: In that event, I take it that officials of both departments would be here.

The CHAIRMAN: We would have to have officials of the Department of Transport, as well as an official of the Department of External Affairs. And for our second meeting next week we shall try to get high officials of the International Joint Commission.

The committee adjourned.













*Canada, External Affairs  
Committee No. 1950*

(SESSION 1950

HOUSE OF COMMONS

Government  
Publications

*78  
15/5  
9/6  
19/50  
26/11*

STANDING COMMITTEE  
ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

FRIDAY, JUNE 9, 1950

Items 75 and 76

Main Estimates of the Department of External Affairs  
1950-51

WITNESS:

Mr. H. A. Moran, Assistant Under-Secretary of State for External Affairs.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
KING'S PRINTER AND CONTROLLER OF STATIONERY  
1950





## STANDING COMMITTEE

on

### EXTERNAL AFFAIRS

Chairman: J. A. Bradette, Esq.,

Vice-Chairman: Gordon Graydon, Esq.,

Messrs.

Balcer	Diefenbaker	Low
Bater	Fleming	Macnaughton
Beaudoin	Fournier ( <i>Maisonneuve-</i>	McCusker
Benidickson	<i>Rosemont</i> )	Mutch
Breithaupt	Fraser	Noseworthy
Campney	Gauthier ( <i>Lake St. John</i> )	Pearson
Coldwell	Gauthier ( <i>Portneuf</i> )	Picard
Cote ( <i>Matapedia-</i>	Goode	Pinard
<i>Matane</i> )	Green	Richard ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey	Leger	

Clerk: ANTONIO PLOUFFE

## MINUTES OF PROCEEDINGS

FRIDAY, June 9, 1950.

The Standing Committee on External Affairs met this day at 11.30 o'clock, Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Bater, Bradette, Campney, Coldwell, Decore, Dickey, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Jutras, Leger, Low, Noseworthy, Stick. (15)

*In attendance:* Messrs. Moran, Hemsley and Tovell.

The Committee reverted to Items 73-76, which were allowed to stand.

Mr. H. O. Moran was called.

A document showing actual expenditures (travel and removal) for the year 1949-50, referred to at a previous meeting, was tabled and it was agreed to print all items of \$5.00 and over. (*See Appendix A and B to this day's proceedings*)

A discussion took place on the propriety of having delegates to the United Nations and to the Special Agencies report to the Committee.

After debate, Items 73 and 74 were allowed to stand.

Item 75—International Labour Organization, was approved.

Item 76—United Nations Educational, Social and Cultural Organization was approved.

Item 82—Mr. Graydon still maintained that the Committee should call an official of the International Joint Commission.

After discussion, it was decided to hear first a statement from the Secretary of State for External Affairs.

A table showing world membership in the International Labour Organization was ordered printed in the record. (*See Appendix C to this day's minutes of proceedings*)

At 12.40 the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## APPENDIX A

### ACTUAL EXPENDITURES FOR FISCAL YEAR 1949-50 UNDER DEPARTMENTAL ADMINISTRATION (TRAVEL AND REMOVAL)

<i>Name</i>	<i>Amount</i>	<i>Name</i>	<i>Amount</i>
Allard, H. . . . .	\$3,639.27	Kirkpatrick, W. J. . . . .	871.23
Armstrong H. J. . . . .	1,185.75	LeFleche, Gen. L. R. . . . .	4,440.21
Bakker, L. J. . . . .	134.98	Leger, J. . . . .	518.46
Barclay, M. J. M. . . . .	621.69	Lemieux, J. M. . . . .	720.25
Barnes, J. T. . . . .	1,017.77	Magann, G. L. . . . .	2,624.52
Beaulne, Y. . . . .	3,187.46	Matthews, W. D. . . . .	981.83
Belanger, J. E. . . . .	1,133.32	Maybee, J. R. . . . .	5,641.93
Bell, L. A. . . . .	615.35	Meech, F. M. . . . .	1,328.56
Berlet, L. H. . . . .	791.96	Miller, J. T. . . . .	549.85
Blais, M. . . . .	945.26	Monette, A. . . . .	3,719.38
Bleau, J. . . . .	5.67	Moran, H. O. . . . .	571.19
Booth, C. S. . . . .	1,087.32	Munro, D. W. . . . .	1,300.04
Branscombe, B. E. . . . .	1,259.53	Murray, J. G. . . . .	1,339.99
Brewer, V. M. . . . .	671.95	MacAfee, G. . . . .	655.45
Bridle, P. A. . . . .	4,053.15	McCardle, J. J. . . . .	2,035.01
Brown, K. W. . . . .	769.06	McCordick, J. A. M. . . . .	1,068.19
Burbridge, K. J. . . . .	588.56	MacDonnell, R. M. . . . .	5,319.64
Burwash, H. D. . . . .	909.11	McGaughey, C. E. . . . .	3,633.49
Cadieux, M. . . . .	694.67	McGill, A. S. . . . .	2,716.01
Campbell, R. . . . .	1,075.02	McKay, M. A. . . . .	819.59
Caza, R. M. . . . .	2,824.73	McMorris, L. S. . . . .	843.09
Chance, L. G. . . . .	1,096.92	McNaughton, A. G. L. . . . .	1,118.04
Chapdelaine, J. A. . . . .	592.00	Nadeau, N. M. . . . .	511.36
Chaput, R. . . . .	1,672.63	Patterson, E. R. . . . .	719.69
Chipman, W. F. . . . .	4,669.11	Patterson, G. S. . . . .	2,395.69
Clark, H. F. . . . .	937.08	Peden, M. J. . . . .	787.85
Coleman, E. H. . . . .	649.13	Phillips, R. A. J. . . . .	662.42
Cornett, D. M. . . . .	712.47	Pierce, S. O. . . . .	684.34
Cox, G. E. . . . .	1,550.67	Rae, S. F. . . . .	1,127.63
Cote, E. A. . . . .	747.08	Ritchie, C. S. A. . . . .	1,699.41
Davis, T. C. . . . .	3,282.00	Rive, A. . . . .	783.80
Delisle, J. L. . . . .	511.01	Robertson, N. A. . . . .	1,450.95
Derby, K. E. . . . .	638.43	Rogers, R. L. . . . .	582.43
Desy, J. . . . .	1,985.96	Scully, H. D. . . . .	1,905.02
Dumas, P. . . . .	994.48	Scott, M. S. . . . .	2,456.83
Farmer, B. W. . . . .	532.11	Sewell, S. H. . . . .	893.10
Finlayson, S. M. . . . .	701.57	Shelton, J. . . . .	718.70
Foote, J. D. . . . .	876.66	Smith, A. C. . . . .	3,152.69
Ford, R. A. D. . . . .	2,159.10	Southam, G. . . . .	2,751.91
Glazebrooke, G. de T. . . . .	1,542.85	Stansfield, D. . . . .	1,572.81
Greene, K. A. . . . .	2,605.14	Starnes, J. K. . . . .	904.78
Groome, M. E. . . . .	568.97	Stewart, H. B. . . . .	2,154.17
Heeney, A. D. P. . . . .	1,023.63	Stone, T. A. . . . .	4,128.10
Hicks, D. B. . . . .	2,427.74	Sylvestre, G. . . . .	1,613.41
Hooper, C. W. . . . .	1,476.17	Teakles, J. M. . . . .	1,906.98
Horne, H. R. . . . .	2,207.87	Thorne, A. . . . .	501.02
Jay, R. H. . . . .	1,924.58	Tremblay, P. . . . .	3,444.78
Johnson, D. M. . . . .	553.74	Turgeon, W. F. A. . . . .	976.57
Kearney, J. D. . . . .	5,236.72	Wilson, D. B. . . . .	2,998.21
Kelly, J. M. . . . .	948.14	Wilgress, L. D. . . . .	581.62
Kidd, G. P. . . . .	969.60	Williamson, K. B. . . . .	1,700.11
Kilsby, V. E. . . . .	841.20	Woodham, S. J. . . . .	2,357.52
Kirk, F. M. . . . .	813.21		

## APPENDIX B

### AMOUNTS ADVANCED DURING FISCAL YEAR 1949-50 BUT CARRIED FORWARD TO FISCAL YEAR 1950-51

<i>Name</i>	<i>Amount</i>	<i>Name</i>	<i>Amount</i>
Heeney, A. D. P. . . . .	\$1,943.09	Jay, R. H. . . . .	566.47
Hopkins, E. R. . . . .	550.00		



## APPENDIX C

MEMBERS OF THE UNITED NATIONS WHICH ARE MEMBERS OF  
THE INTERNATIONAL LABOUR ORGANIZATION

Afghanistan	Ecuador	Mexico
Albania	Egypt	Netherlands
Argentina	El Salvador	New Zealand
Australia	Ethiopia	Norway
Austria	Finland	Pakistan
Belgium	France	Panama
Bolivia	Greece	Peru
Brazil	Guatemala	Philippines
Bulgaria	Haiti	Poland
Burma	Hungary	Portugal
Canada	Iceland	Sweden
Ceylon	India	Switzerland
Chile	Iran	Syria
China	Iraq	Thailand
Colombia	Ireland	Turkey
Costa Rica	Israel	Union of South Africa
Cuba	Italy	United Kingdom
Czechoslovakia	Lebanon	United States
Denmark	Liberia	Uruguay
Dominican Republic	Luxembourg	Venezuela

Total of Members—60.

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

Friday, June 9, 1950.

The Standing Committee on External Affairs met this day at 11:30 a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum. I thank you for being here at this early hour. Now, we will open our meeting.

The meeting has been called for the passing of the remaining items of External Affairs, No. 73, No. 74, No. 75, and No. 76.

Shall item No. 73 carry?

Mr. FRASER: Mr. Chairman, before you call that item I was handed a list at our last meeting and at that time I was asked if I wanted the names and items put down in our records in amounts of \$500 and up, and I personally feel if the committee is satisfied, that that would be a good idea. That is in regard to the actual expenditures for the fiscal year 1949-50 under departmental administration: travel and removal expenses.

The CHAIRMAN: \$500 and over. Is that satisfactory to the committee?

Mr. NOSEWORTHY: Which items have you called, Mr. Chairman?

The CHAIRMAN: We are on No. 73 now.

Mr. FRASER: I think it is something that should be on the record for our meetings perhaps at the next session.

The CHAIRMAN: I believe it was stated by one of the officials of the department when he presented that list at the last sitting that it would be satisfactory to publish it. Is there a motion to that effect?

Mr. STICK: I so move.

The CHAIRMAN: Carried.

(See Appendix A)

Shall item No. 73 carry, United Nations Organization?

Mr. GRAYDON: Mr. Chairman, the departmental officials are here and I am wondering if we might know if any of the departmental officials have been at the United Nations during the last year? Was Mr. Moran, at the United Nations Assembly this year?

**Mr. H. O. Moran, Department of External Affairs, called:**

The WITNESS: No.

Mr. GRAYDON: Or any of the rest of you here? There is a difficulty in dealing with the United Nations. This is, perhaps, one of the most important parts of the External Affairs committees' items of business, and I think that we are getting a little loose in our approach to this when we ask people who have not been there to give evidence with respect to the United Nations. Now, the other day I had looked forward to both Mr. Jutras and Mr. Eudes, perhaps presenting themselves for a lengthy examination with respect to the various policies followed and the details discussed at the United Nations but one of

those gentlemen indicated that he was only giving part of his report here and the other part was to be given in the House of Commons which left it pretty well in the air; and some of the members of the committees thought I was going too far in even asking him any questions. I think we are entitled to know something with respect to the United Nations because I am not at all satisfied to let the item go without something in the way of first-hand information being given. All kinds of people have gone to the United Nations organization meetings during the last year and out of all of those people nobody apparently was prepared to come before the committee and to give evidence on what happened. Now, I think the committee is entitled to that evidence, Mr. Chairman. I do not think I am asking too much, and I do not think I am asking a single thing that any one of you in your minds would think is a bit unreasonable.

Mr. LEGER: Mr. Chairman, may I ask whether the delegates who were sent in other years were asked to make reports?

Mr. JUTRAS: Mr. Chairman, with respect to members who were at the United Nations meetings I believe their position has been far over stretched, and on this question of the United Nations I think that Mr. Graydon overlooks the fact that the minister did make a fairly extensive review and dealt pretty extensively with the United Nations, and he was quite prepared at that time to answer any question. Furthermore, we have the 1949 report of the United Nations which is a very complete report of all its operations. I gave my views and reports on what we had done as one of the delegates, and we had extended questioning right up till six o'clock. As a matter of fact I spent the whole afternoon under close questioning. Questions were voluntarily answered. My friend, Raynond Eudes, did not decline to answer questions. I do not think that ever entered his mind. It was just that he pointed out to the committee that it was his intention to deal with a part of his report in the House. There is one thing I think he probably overlooked saying: that they did not deal very extensively with that part of the program at the last council. However, he dealt with the main parts. As far as information being given is concerned I think a great deal has been said about the United Nations.

The CHAIRMAN: In answer to the question of Mr. Leger may I say that I was a delegate three years ago. I did not report to the committee.

Mr. LEGER: Mr. Graydon was one of the delegates at one time, and Mr. Coldwell was another one.

Mr. GRAYDON: We made a report when we came back. The Senate committee called me and I had a rather extensive examination.

The CHAIRMAN: Personally, I believe the ground has been well covered by what has been done already before this committee. There is also the report in the Journal of the United Nations which contains an enormous amount of information—reports of everything that happened there. This information is always at the disposal of anyone who requests it and I believe the External Affairs Department could have it distributed to members of our committee if requested.

Mr. JUTRAS: If you want a report of the full session I do not think you could possibly get anything better than this United Nations Report. I think it is very very well done, extremely well done. It tells the whole story in every detail of all the operations. However, it is quite possible there may be other questions in greater detail, but I want to take this opportunity to commend the Department of External Affairs on the very nice report they have submitted. I think it is just about as good as it could possibly be, and it is very readable. It also has the feature of being interesting to read as well as very documentary.

Mr. GRAYDON: Mr. Chairman, I am not going into how nice the report is, as Mr. Jutras mentioned. We are not only interested here in simply taking governmental reports and filing them as evidence in the committee. Not only

is that quite improper but in addition to that I think we are entitled in the committee to be able to examine some people who know something firsthand about the United Nations. Now right at the moment the United Nations organization is in a state of acute difficulty. Some of us would like to have some of the background, for instance, with respect to the situation which induced Trygve Lie to take the position he has taken. There may be some questions quite relevant to Mr. Lie's mission abroad that we may want to ask governmental officials. There are a number of other problems which arise. I do not want Mr. Jutras or Mr. Eudes to think that I am directing my remarks at them, because there may be some reasons why their position is quite tenable in connection with the matters which they dealt with; but they were not in charge of general policy, at any event, at the United Nations organization's meetings. But there must be a number of our officials who are available for questioning. They are sitting in the ordinary departmental advisory capacity and know, from top to bottom, the whole questions of the policy which was pursued with respect to the United Nations in the last session, and we should have a review of that subject from somebody who was there. I do not think it is quite fair to ask Mr. Moran or others who are here, who were not at the United Nations meeting, to comment upon it and give secondhand evidence. That is hardly fair to them. What I would like to know, Mr. Chairman, is who of the officials in the department could give us the kind of information I have suggested.

Mr. LEGER: Mr. Pearson, I presume.

The WITNESS: As Mr. Graydon I think knows, the nucleus of the Canadian delegation to the United Nations organization is now the group who form the permanent delegation in New York.

Mr. Low: The brain trust.

The WITNESS: I am not entirely sure whether you had in mind bringing one of those people from New York or whether you were referring to someone here in the department. If it were the latter, there is Mr. Pearson, who headed the delegation, and who has appeared before the committee. The only senior official in the department who is in Ottawa and who participated in the General Assembly is Mr. Riddell.

Mr. GRAYDON: Mr. Riddell is in Ottawa at the moment and so is Mr. Pearson and I do not think we need to bring anybody from New York when we have these two men right here. Incidentally, I was greatly pleased to learn that Mr. Riddell had been chosen as the permanent representative of the United Nations from Canada because his standing and his reputation, of course, are very high. But either of those two men, I think, ought to come before the committee, Mr. Chairman, so that we can see the picture first hand with respect to the United Nations position. If it were at any other stage in the United Nations discussions I would not be quite so insistent, but right now broad general world policies are at stake and I think it is much more than a matter of mere detail as to what this committee should deal with in that connection.

Mr. CAMPNEY: Mr. Chairman, the position is, we are examining estimates and it seems to me the type of questions that we might desire to ask falls into two categories: one, the mechanics of operation and so on, for which the money is provided, and I feel the permanent officials can give us such information; and then there is the second field which undoubtedly has to deal with policy and that is the one Mr. Graydon has in mind. I do not want to put words in his mouth, but it seems to me that if it is the wish of the committee to have someone here who can generally state the views and answer questions, he would have to be the minister. I do not think we can ask permanent officials detailed



questions involving policies without embarrassing them, and it seems to me from what Mr. Graydon has in mind that he would like to have the minister make the statement.

Mr. GRAYDON: I think probably we ought to have both the minister and Mr. Riddell because the minister was not there during the whole time. I think Mr. Riddell was. And there is a combination with respect to information there and the work of the delegations generally. Perhaps Mr. Riddell could give us information on that, and Mr. Pearson could give us information on general policy. I do not want, Mr. Chairman, to hold up the work of this particular meeting, and therefore, I make this suggestion that we leave Item No. 73, the general item stand and perhaps then we could deal with Items 74, 75, and 76. Perhaps the officials of the department then can satisfy us with respect to the information desired.

The CHAIRMAN: You realize that I want to have the greatest possible deliberation and all details given but I do not think we should get the minister and Mr. Riddell unless we have some pointed questions to ask of them. It would be a matter of going over thrashed ground again. If we go over the general statement and require amplification with regard to the activities of the United Nations in different channels then I agree with you. I agree that you might have some pointed questions or special questions in connection with the activities of Mr. Trygve Lie, the secretary-general, but I do not know whether it would be possible to get Mr. Pearson and Mr. Riddell both here. I understand that Mr. Pearson will be away for most of next week. I believe, however, that he would gladly come for the purpose. Shall we therefore leave item 73 aside?

Agreed.

Item 74,—Food and Agricultural Organization of the United Nations.  
Shall the item carry?

*By Mr. Graydon:*

Q. How are we represented in Canada on that organization?—A. Dr. G. S. H. Barton, former Deputy Minister of Agriculture and now special advisor to the Minister of Agriculture is the senior Canadian official concerned with the work of F.A.O. As a rule the Canadian delegation to the F.A.O. meetings is headed by the Minister of Agriculture, with Dr. Barton as the senior official.

The delegation is composed of representatives of other departments, depending on the items on the agenda. Frequently there is representation from the Department of Fisheries; as a rule there is a representative of the Department of External Affairs—not from Ottawa but as the meetings have been in Washington a member of our staff in Washington has been assigned to work with the delegation.

Q. Are there any other departments of government represented besides Agriculture, Fisheries, and External Affairs?—A. Trade and Commerce has been represented; Finance has been represented on occasions when there have been budgetary or financial items on the agenda.

*By Mr. Coldwell:*

Q. Can you tell us something about the attitude of Canada regarding the distribution of agricultural products when it was discussed before this organization?—A. No, the External Affairs Department does not participate extensively in the policy of this agency.

Q. That is what I thought; that is why I asked the question.

Mr. Low: I think we ought to have the Canadian representative on the International Monetary Fund account to the committee for the attitude taken

by the Monetary Fund toward the International Commodity Clearing House proposals. I think we would be getting somewhere if we followed that matter.

Mr. COLDWELL: I think it is quite an important matter too. Many people are wondering about the attitude which was taken by Canada.

Mr. JUTRAS: What was the suggestion?

Mr. Low: I say that we should get to the bottom of this question of surplus food and material and call before us the Canadian representative on the International Monetary Fund to get from him the reasons why that august body of financiers induced F.A.O. to pass over their proposal for a world pool of surpluses.

Mr. JUTRAS: That is an assumption.

Mr. Low: It is not an assumption; it is true.

Mr. JUTRAS: I really do not think that you will get the full picture from the International Monetary Fund.

Mr. COLDWELL: What we could do would be to get one representative from F.A.O. first and find out from him what we could; and if he tells us that the situation is due to action of the International Monetary Fund then we can call somebody from the Fund.

Mr. Low: We have statements of members to prove that it was the action of the Fund.

Mr. JUTRAS: Still, the International Monetary Fund is incidental to the International Commodity Clearing House. It is not exclusively that organ that created the attitude that was taken. There are many other factors entering into the picture. If you call a witness from just one agency you will only have a lopsided picture of the scheme.

*By Mr. Coldwell:*

Q. We have the appropriation here for this organization of the United Nations and it seems to me that we should get some information regarding actually what happened because it is a matter of vital importance to this country. Something should be done about the distribution of food. We see surpluses piling up—more particularly in the United States at the moment but to some extent in our own country—and to those of us discussing wheat it was interesting to see the figures published yesterday regarding the surplus that now exists, and the possibility of increased crops. France is to have a crop 60 million bushels larger than the average in prewar years. The question is how are we going to distribute the surplus, and I thought F.A.O. was the organization which was discussed here.—A. I do not know whether it would satisfy Mr. Coldwell's requirements but on page 130 of the report, Canada and the United Nations, you will find the statement of the Minister of Agriculture when this question was discussed last November and December.

Q. There is only a paragraph there and it might refresh the memories of members of the committee to have it put on the record?—A. It reads as follows:

The Canadian attitude to the International Commodity Clearing House proposal was expressed by Mr. J. G. Gardiner, Minister of Agriculture, in the following terms:

—The imminent appearance of food surpluses in the world is of particular interest to Canada which, since the beginning of the century, has been a food exporting country.

—Canada, therefore, is prepared to give serious consideration of any international action designed to attain production and distribution of food. From this point of view we are interested in the proposal advanced by the Director-General for an International Commodity Clearing House.

While endorsing the principle underlying this proposal we are not in agreement with the means which, it has been suggested, are necessary to reach the objectives.

Q. It is on the matter of the means that I think we should have the information. If the minister of agriculture is busy I do not know whether we should have him to explain it but we might have one of his officials.

Mr. JUTRAS: If we are going to get anybody the logical one would be Dr. Barton. He is the one who dealt with it from the start.

Mr. COLDWELL: That would be a good idea.

The CHAIRMAN: We will contact him immediately.

Mr. BATER: According to this item and the increase I would presume that the F.A.O. work is being extended and that there is no slackening off of its work in endeavouring to get rid of the surplus food.

Mr. COLDWELL: The increase is very small.

The WITNESS: The increase is solely a reflection of currency devaluation.

The CHAIRMAN: Then we will leave the item aside for the time being. The next is No. 75, International Labour Organization. Shall the item carry?

Mr. GRAYDON: Just a minute, Mr. Chairman. Who are the representatives on the International Labour Organization?

The WITNESS: There are no permanent representatives as such on the organization, but Canada does send a delegation to the meetings. You may recall that there was an I.L.O. meeting which Mr. Mayhew attended last February at Mysore in India. That was the meeting which he attended prior to proceeding to the Colombo Commonwealth Conference.

*By Mr. Stick:*

Q. What was the meeting recently in Geneva?—A. That was the meeting which commenced about a week ago? The name of the head of the Canadian delegation is Mr. Paul Goulet and there are other representatives from the Department of Labour there.

Q. Mr. MacDonald was there. Does that come under External Affairs or the Department of Labour?—A. In these specialized agencies there is a department of government which is primarily concerned with the specific subject. When we discussed I.C.A.O. it was pointed out that aviation was principally a matter for the Air Transport Board and the Department of Transport, but there is a general interest on the part of the Department of External Affairs in the international aspects of all those technical subjects; and that would be the relation of External Affairs to an organization like I.L.O.

Q. Did you have an observer there?—A. We usually have a representative on the delegation. At the two previous meetings held in Geneva, Mr. Renaud of our legation in Berne has been a member of the delegation.

*By Mr. Graydon:*

Q. Does the Soviet Union or any of its satellites attend these meetings—or are they members of the I.L.O.?—A. No.

Q. Were they ever members of I.L.O. to your knowledge?—A. Some of the satellite countries were I think. Certainly Czechoslovakia was once a member of I.L.O.

Q. They have pulled out?—A. They do not now participate.

Q. So none of those countries now under Soviet Imperial domination are members of I.L.O.?—A. I do not think there are any Soviet satellite countries participating now.

Mr. COLDWELL: They are all associated with W.F.T.U. which is the rival body. The objection which the Russians had from the beginning, as I remember



and as Mr. Graydon will probably remember, was that an organization of this sort should not include employers as well as employees; and I.L.O. is set up on that basis.

Mr. GRAYDON: I remember there was some representation made to the world federation of trade unions at the San Francisco Conference when the charter was first being set up, and there was some difference of opinion at that time as to what should be done in connection with it. I think any difference of opinion by virtue of the attitude taken by Russia and her satellites afterwards was pretty well obliterated.

The WITNESS: W.F.T.U. has been recognized by I.L.O. and representatives of W.F.T.U. are permitted to attend I.L.O. meetings.

Mr. COLDWELL: In an advisory capacity?

The WITNESS: In a consultative capacity. They suggest items for the agenda, and I believe are permitted at the meetings to speak but they have no voting rights.

*By Mr. Graydon:*

Q. Have they availed themselves of those limited rights as of recent times, do you know?—A. Yes; they were at Geneva. There was a representative of W.F.T.U. not at this last meeting at Geneva but at the earlier I.L.O. meeting.

*By Mr. Coldwell:*

Q. That would be with the British Trade Unions and so on. The Congress of Labour was affiliated with the W.F.T.U.—A. It was at last year's Geneva meeting.

Q. There has been a change, of course.

Mr. GRAYDON: Has Mr. Moran got a list of the countries which comprise the I.L.O.?

*By Mr. Noseworthy:*

Q. Has there been any change since the footnote on page 148 of the United Nations Report which says that outside of Russia all the other major communist countries still hold membership in the I.L.O.?—A. Do you wish me to read the list into the record?

*By Mr. Graydon:*

Q. I think we had better have it on the committee's record, if it is not too long.

*By Mr. Noseworthy:*

Q. Where is the list in this Report?—A. I am not reading from the United Nations Report. I am not sure that you will find it there.

Q. If it is a long list, perhaps we should have it put on the record rather than read.—A. It is a long list. As at the end of April there was a total of 60 countries; and on the question of the Soviet and its satellites, according to this list, Czechoslovakia is still a member.

Mr. NOSEWORTHY: And Poland?

*By Mr. Bater:*

Q. Are there any South American countries?—A. Oh, yes, Bolivia, Brazil, Chile, Colombia, and smaller countries such as the Dominican Republic.

Mr. COLDWELL: Uruguay is a member.



*By Mr. Graydon:*

Q. Is the Argentine on there?—A. The Argentine, yes.

The CHAIRMAN: We shall have the list as an appendix to our report. (See appendix B to these proceedings).

Shall the item carry?

Carried.

Item 76 "United Nations Educational Scientific and Cultural Organization". Shall the item carry?

*By Mr. Fraser:*

Q. This item has been reduced this year. I take it that it is the amount that Canada gives to the United Nations Educational Scientific and Cultural Organization, which is based on the 3.02 per cent?—A. It is based on 3.78 per cent.

Q. 3.78 per cent.—A. Yes, that is right. The 1950 budget of UNESCO is \$8 million. I am sorry. I said 3.78 per cent. But the latest figure appears to be 3.81 per cent.

Q. 3.81 per cent? What is the basis of it?—A. The Organization's budget of \$8,847,000.

*By Mr. Stick:*

Q. Does our percentage vary from year to year?—A. It would, depending on the membership.

*By Mr. Fraser:*

Q. It is up from last year.—A. Yes, it is up from last year.

Mr. COLDWELL: Somebody must have dropped out, then.

*By Mr. Fraser:*

Q. But this amount is down.—A. Last year's percentage was 3.81 per cent. It is less than in 1947.

Q. Just what is the function of this United Nations Educational Scientific and Cultural Organization?

Mr. Low: That is a good question. Nobody knows.

*By Mr. Coldwell:*

Q. You can refer to the charter setting it up.—A. As described in our United Nations report, this organization had originally four large scale projects: (a) reconstruction and rehabilitation of the educational, scientific, and cultural life devastated by war; (b) fundamental education; (c) education for international understanding; (d) Hylean-Amazon project. The program for 1949 included the setting up of a temporary international committee for educational reconstruction and certain relief work in the interests of refugees, in particular Greek children. Thirty-nine schools have been opened in Lebanon, Palestine, Syria and Jordan under the auspices of this organization, and it has been active in connection with international voluntary work commissions and children's communities.

Q. When was the last conference held, and where, and who were our delegates?—A. UNESCO is meeting now in Florence with Mr. Jean Désy as the head of the Canadian Delegation.

Q. He is our ambassador in Italy, is he not?—A. Yes. I have the names of the delegation here.

Mr. NOSEWORTHY: Does anybody represent the educational side?

*By Mr. Coldwell:*

Q. Yes, is anyone there representing, for example, the Canadian Teachers' Federation?—A. Mr. Jean Désy, the ambassador to Italy, is the head of the Canadian Delegation. The delegates are Mr. Garnet Page, representing science; Mr. Jacques de Tonnancour, representing culture.

*By Mr. Noseworthy:*

Q. Who are these men? What were their positions?—A. I have not got detailed information about them.

Q. Were they officers of the department?—A. No. These are private citizens—professional men.

Mr. BATER: Have they ever been connected with the teaching profession?

*By Mr. Coldwell:*

Q. He has not quite finished the list.—A. Dr. M. E. Lazerte, representing education; and as alternate delegates, Sidney Pollock of the Department of Finance; Dr. John E. Robbins, of the Dominion Bureau of Statistics; and Paul Tremblay of the Department of External Affairs. We are supplying a secretary for the delegation from one of our missions in Europe.

Q. I understand that Dr. Lazerte is the head of the Faculty of Education at the University of Alberta, and that Dr. Robbins is head of the Educational Branch of the Dominion Bureau of Statistics. So there are two who are qualified as educationists.

Mr. STICK: I think the teaching profession is well represented.

*By Mr. Fraser:*

Q. And are the expenses of this delegation going over to the convention taken out of this vote, or are they handled separately?—A. No. They are handled separately. The expenses are met from the Department of External Affairs' conference vote.

Q. It would come under "administration"?—A. Yes, sir. This sum which the committee is considering is Canada's contribution to the Central Fund of the organization which they have to draw on to meet the salaries of their permanent staff and the costs of the projects which they will undertake during the year 1950.

Q. This amount instead of being down \$4,100 would be down considerably from that figure owing to the fact that we have a 10 per cent exchange rate. Is that right?—A. If it is a contribution to be paid in United States dollars, that would be true.

*By Mr. Fraser:*

Q. It would have to be made in United States dollars if paid direct to the organization?—A. This contribution is one that is calculated and paid in United States dollars.

*By Mr. Stick:*

Q. Are all the funds of the United Nations calculated in that way, in United States funds?—A. Yes, sir.

Q. Just because the United Nations centre is in New York, I suppose?

*By Mr. Jutras:*

Q. Is it not a fact that some monies are spent in local currency and that allowance is made for that fact?—A. They are calculated in United States currency. They are not all paid in United States funds. UNESCO is one where payment is made on the basis of U.S. dollars.

*By Mr. Noseworthy:*

Q. Why has not Canada followed the constitution of UNESCO and set up a national commission?—A. I think Mr. Heeney explained that point to the committee earlier when he pointed out that any action in that direction is awaiting the report of the Royal Commission on Arts, Letters and Science.

*By Mr. Coldwell:*

Q. I think that Mr. Jean Désy is a very appropriate person to be the head of the delegation. I lived with him for six weeks at San Francisco and I do not know a gentleman who is more interested in Canadian art and literature and general culture than Mr. Désy. I would like to make that statement having in mind the fact that my earlier remarks might be misunderstood.

Mr. STICK: You think that we are well represented there?

Mr. COLDWELL: I do.

*By Mr. Graydon:*

Q. Have representations on this question of UNESCO been made to the Massey Commission?—A. Oh, yes.

*By Mr. Noseworthy:*

Q. At the foot of page 157 of the United Nations report it says:

In the meantime, the Department of External Affairs is coordinating the work of UNESCO in Canada through the various national organizations in the fields of education, science and culture.

Could you tell us what national organizations are engaged in that work?—

A. There is the Canadian Council for Reconstruction through UNESCO and the Canada Foundation. In addition there are some educational organizations in Canada which are interested in the work of UNESCO.

Q. Have you a list of them?—A. The Canadian Teachers' Federation. The Canadian Arts Council.

*By the Chairman:*

Q. Was not that answer given to this committee?—A. Last year Mr. Heeney I think I referred to these organizations. There is the Canadian Council of Professional Engineers and Scientists, and, of course, the United Nations Association. That was discussed at the last meeting of this committee, when an appropriation was recommended for that body.

*By Mr. Coldwell:*

Q. Was any grant made to the Canadian Foundation for the project which they undertook last year of taking a number of University students across to Amsterdam?—A. Not to my knowledge, sir.

*By the Chairman:*

Q. What page is that? You quoted from a page of the report?—A. Page 140.

The CHAIRMAN: On what page of the report last year?

The WITNESS: Page 140.

The CHAIRMAN: Shall the item carry?

Carried.

Item No. 82.

Mr. Low: Just before you leave the United Nations, Mr. Chairman, it did occur to me as noteworthy that we are spending this year, or providing, \$2,136,800 for membership in the United Nations organization.



The CHAIRMAN: What item is that, Mr. Low?

Mr. Low: I was just saying, before you leave the United Nations votes, that it is noteworthy that we are providing this year \$2,136,800 for our membership in those organizations, and just below those items we find provision for our membership in commonwealth organizations, a mere \$24,000. It is interesting in passing to note that we are spending \$24,000 in the commonwealth organizations, and \$2,136,800 in the United Nations organization.

The CHAIRMAN: It is, I suppose, due to the fact that the commonwealth is a running concern with no east and west. It is all a solid unit in a way.

Mr. COLDWELL: There are a great many appropriations for commonwealth projects scattered around which are not gathered together, but when we consider what we are spending in United Nations organization altogether and compare that with what we are spending on armaments, it is a relatively small amount.

The CHAIRMAN: Oh, yes.

Mr. FRASER: Mr. Chairman, there is just one question I wanted to ask. I notice in the New York Times of Sunday, June 4th, the United Nations Latin Agency Economics Commission starts its third annual session down in Montevideo, Uruguay, and I just wondered for the information of myself and members of the committee just how those agencies are set up.

The WITNESS: That was the Economic Commission for—

Mr. FRASER: That was the Economics Commission: "The United Nations Economic Commission for Latin America which is the youngest of three such regional bodies, will start informal meetings here tomorrow." That is the United Nations. I just wondered how this is set up.

The CHAIRMAN: I believe we could have those questions answered when we have the minister or Mr. Riddell here. We let item No. 73 stand for that purpose.

Mr. FRASER: Leave it for a question then to be answered under No. 73. I suppose I should have asked it under No. 78.

The CHAIRMAN: Mr. Moran says he can give it now.

The WITNESS: The Economic Commission for Latin America was established in February, 1948, by the Economic and Social Council. Its terms of reference are similar to those of two other regional economic commissions—

Mr. FRASER: And where are those other commissions. That is the question I would like answered.

The WITNESS: One in Europe and the other in Asia.

Mr. FRASER: And North America has not an agency of that kind at all? Has there been any consideration given to it?

The WITNESS: I do not think so, but probably that could be answered by explaining the purpose of this Economic Commission. It is designed to deal with economic problems arising out of the war and in an effort to raise the level of economic activity in Latin America, and its membership is open to member states of the United Nations in North, Central and South America.

Mr. FRASER: Thank you.

The CHAIRMAN: Now, we are on item No. 82.

Shall the item carry?

Mr. GRAYDON: Well, Mr. Chairman this is the item which we discussed before when we discussed the problem of having someone here from the International Joint Commission to deal with the situation which this item provides for, and I am wondering what progress has been made with respect to getting Mr. Spence to come before the committee.

The CHAIRMAN: No progress has been made for the reason of the state of flux there, as far as the commission is concerned, under the present flood conditions



in Manitoba. However, I believe that the minister will be ready to make a statement on that matter when he comes before us again. I think that is the most feasible thing to do at the present time because we readily understand how hard it is for any of the commissioners to come here. Some of the officials will not be back until the 20th of June but I believe the minister is ready to make a statement. It comes under his department.

Mr. GRAYDON: I do not want any misunderstanding to arise as to my position with respect to calling a member of the International Joint Commission. I think he ought to be called and I would like to leave my position squarely before the committee with respect to that. Perhaps we shall hear what the minister has to say and leave the matter in abeyance at that time, but it seems to me that it is of supreme importance that Mr. Spence, who knows this whole picture, should come before this committee, and I do not propose to abandon my position with respect to that. I want to be as insistent as I can politely be before this committee and before you, Mr. Chairman, in pressing most urgently that he be brought before us before the committee makes its report. I do not know if there is a single thing in Canada at the moment, having in mind the grave Winnipeg disaster, in which the public would be more interested than in finding out what the commission has done with respect to this problem during the last few years or whatever period of years it covers, because there are some questions there that are of rather serious moment in my opinion, and I think this committee would be subject to some criticism if in the middle of this investigation we were simply to let the item carry and make no investigation of the situation at all. I would be prepared, however, to meet your wishes, Mr. Chairman, in suggesting that the minister might deal with the matter in the first analysis, but it will be certainly over very strenuous opposition from me if this committee rises and makes its report without hearing the firsthand evidence of Mr. Spence.

Mr. COLDWELL: The item should stand.

Mr. FRASER: I think the item should stand, Mr. Chairman, and I quite agree with what Mr. Graydon has said. I think we should have Mr. Spence here and I said that on many occasions.

Mr. JUTRAS: Mr. Chairman, I agree that we should wait until we hear from the minister. Now, I do not know whether Mr. Spence is the man who should be called here; but I think it would be advisable to wait for the statement from the minister first. Now, my intention in bringing this matter before the committee, as you well remember, was primarily to get some engineers who knew something about the project itself. However, since then it is more literally true to say that a lot of water has flowed under the bridge—

Mr. GRAYDON: And a lot of it has flowed over the bridge.

Mr. JUTRAS: —and a great deal of information has come out since, and many events have taken place, and although I am very anxious to get the information I do not think it would be advisable to call the engineers or any member of the board of engineers from the flooded out areas at this stage. I think that would be a mistake because they are very busy out there and the time for the job to be done is now, it cannot be postponed. As far as members of the commission are concerned that might also apply to the members of the commission itself; I do not know, but it might. I would not like to be a party to any move to disturb any of those members from the immediate job that has to be done now. It is in my opinion an urgent job, one that requires to be done now, and it cannot be done at a later stage. I understand they are busy at it now and even the members of the commission are away from Ottawa; they would have to come back quite a distance. I think all that would have to be considered. Now, I know it would be of great interest to know what has been done in the past, but that is past, and of more interest is what is being done, not what has been done although that is important. For the

time being what is important is what is being done, and possibly we can find out a little later what has been done just as well as we can now. I am giving you my opinion on that but I would not want, as I said, to take those men away from the field, if they are in the field, at this particular stage, in view of all the circumstances. I fully agree with Mr. Graydon that the thing to do is to wait to hear from the minister, and I am quite sure that the minister can give us the picture. As a matter of fact a great deal involves policies of two governments and I do not think a member of the commission could answer those questions; he would have to refer us back to the minister; so I think the best person to give us what we want now is really the minister himself.

Mr. GRAYDON: Mr. Chairman, on that point; I take it from the argument advanced that Mr. Spence who knows this picture would be busy and would not be able to come before the committee. That argument has never impressed me very greatly because the job of the International Joint Commission is not the rehabilitation and reconstruction of a flooded area. Their job is, as is indicated here, to provide for preliminary studies and surveys of the mid-western watershed and I would think that there is not very much chance of the International Joint Commission undertaking a job that now is immediately before all the governments concerned, and that is putting these people back in the position they were in as far as possible before the floods came. I can understand that if we were trying to bring some people here who were engaged in that type of work then there would be a very plausible and a very convincing argument to support what has been said but I cannot see there is any argument at all that the man who is engaged in International Joint Commission work and in addition to that has other work in the commission, should not be brought here, because it seems to me that is not an argument.

Mr. JUTRAS: I am afraid Mr. Graydon misinterpreted what I said, because I certainly did not infer or have in mind that the commission was busy there rehabilitating people. That is not the point at all. The commission, I am quite sure, are now busy in the flooded area to get accurate data of the flow of water at the various stages as it recedes and that is something which they can do now and which they cannot do after the water has gone.

Mr. GRAYDON: That is the work of engineers.

Mr. JUTRAS: But the supervisor has to supervise the work I imagine. In other words, if the commission has nothing to do that is a different story, but their responsibility is to supervise that work. I understand that the air force is taking aerial photographs of the flooded area every so often to get information on the various levels as the water recedes because my impression is, and I know from experience, that the waters of the Red River react quite differently at various levels and it is very important to get that data.

Now, I am quite sure it involves a great deal of planning on the part of the commission itself apart from the engineers who are actually in the water and in the mud. I said I do not know what their function is but surely there is ground there to be cautious on, at least to wait until we know definitely in what position the members are before we call them here.

Mr. Low: Mr. Chairman, is it true that the commission is holding sittings in the City of Lethbridge next week in connection with the division of the waters in those international rivers in the west? If that is true it will be quite some time before we can have them here.

The CHAIRMAN: If I understand Mr. Graydon correctly it is not so much that he wants to have a particular official here but to have some man in a

responsible position come here to give us a word picture of what has been done, and with the minister with him I believe that should be satisfactory to the committee.

Mr. COLDWELL: Let us have the minister first.

The CHAIRMAN: Yes, and in the meantime if the minister thought he could bring some official who would know the situation—

Mr. Low: Probably Mr. Pearson would like to have Mr. Spence here.

The CHAIRMAN: Yes, if the minister should think it advisable to have a man with him would that be satisfactory?

Mr. GRAYDON: We will hear the minister first, but I am not retreating from my original position because I am so convinced that that is the proper course to pursue.

Mr. STICK: Mr. Chairman, I am rather confused about this International Joint Commission. It is a joint body which has to report to two governments and it is usual before a report is issued that both governments should be consulted, and the report is issued as a joint statement at a certain time. If I were a member of this joint commission what responsibility would I have? Who would I have to report to? Can we dig into this matter out there without considering the United States point of view? In other words we will get information here that they will not get over there. How would that tie in with the whole situation?

I am not throwing out anything to try to counteract what Mr. Graydon is saying but this is an international body and if I were a member of this joint commission and I were called before this committee I would be in a position of giving information to this committee that I had not already given to a similar body in the United States.

The CHAIRMAN: Absolutely.

Mr. STICK: I would hesitate to do it.

The CHAIRMAN: Yes, it is an international commission, no doubt. Both governments have access to all information.

Mr. STICK: We, of course, want to get all the information we can here.

The CHAIRMAN: I believe I am right in saying that with an International Joint Commission of that kind both governments have full access to the reports.

Mr. STICK: That would be for Mr. Pearson to decide. Probably we better leave it.

Mr. FRASER: It would only take Mr. Spence away from Winnipeg district for a day or two if he flew in here. They had a flood there in 1948 and we have had no report here regarding remedies of that situation, and I cannot see why he should not come here and give us some information as to what has been done. Reports have been made to both the United States and Canada and he should come here and tell us what they have done. They do not need to tell us what they are going to do, but what have they done up to the present time, and what are their plans?

The CHAIRMAN: I believe that can be arranged when we have the minister before us.

Mr. FRASER: We will leave this item then.

Mr. COLDWELL: We have all felt a certain amount of dissatisfaction with this.

The CHAIRMAN: In my own case once we lost one-third of the town in a typhoid epidemic and people began to holler for a royal commission. I said quite strongly that it was not the time to have a royal commission but it was the time to work and to save those who were living. In this case I believe the minister will give us a lead. If at all possible we will have the officials here.



Mr. COLDWELL: Let us see what the minister says.

Mr. BATER: If we can get a member of the International Joint Commission here we can discuss not only the Manitoba flood but indirectly are they not connected with the P.F.R.A. in western Canada?

Mr. JUTRAS: They are, yes.

The CHAIRMAN: I suppose when the official is here if there are any problems pertaining to that matter they can be brought forward.

Mr. COLDWELL: Mr. Spence was the head of that.

Mr. Low: They can assist us there only in so far as the allocation of international water is concerned.

The CHAIRMAN: I believe we have done all we can at the present time. I hope at the next meeting it will be possible to deal with the Convention of the World Meteorological Organization and also with the officials of the Department of Agriculture. If the minister is here at the end of next week we may have to sit twice on the same day. I believe that Mr. Pearson can come here Monday or Tuesday, so we may arrange also to have some officials from the International Joint Commission.

Mr. GRAYDON: I wonder if you could let some of us know definitely about Tuesday because I would like to make some changes in my plans to be here on Tuesday if the minister is coming.

The CHAIRMAN: I will try to arrange the matter very early Monday or perhaps on Saturday.

The committee adjourned.









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HOUSE OF COMMONS

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Publications

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

MONDAY, JUNE 12, 1950

Convention of the World Meteorological Organization

Statement by the Honourable Lionel Chevrier

WITNESS:

Mr. P. D. McTaggart-Cowan, Assistant Comptroller Meteorological Services, Department of Transport, Toronto, Ontario.

Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs.

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Clerk: ANTONIO PLOUFFE.

## REPORT TO THE HOUSE

MONDAY, June 12, 1950.

The Standing Committee on External Affairs begs leave to present the following as its

### SECOND REPORT

Pursuant to an Order of Reference dated Tuesday, June 6, 1950, your Committee has duly considered the Convention of the World Meteorological Organization signed on October 11, 1947 at Washington and tabled in this House on February 14, 1949, and approves of same.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*



## MINUTES OF PROCEEDINGS

MONDAY, June 12, 1950.

The Standing Committee on External Affairs met at 3.30 p.m. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Bater, Bradette, Cote (*Matapedia-Matane*), Decore, Fleming, Fraser, Gauthier (*Portneuf*), Green, Hansell, Leger, McCusker, Noseworthy, Richard (*Ottawa East*), Stick. (14).

*In attendance:* Honourable Lionel Chevrier, Minister of Transport, Mr. P. D. McTaggart-Cowan, Assistant Comptroller, Meteorological Services, Department of Transport, Toronto, Ont. and Mr. H. O. Moran, Department of External Affairs.

The Committee gave consideration to the World Meteorological Organization referred on Tuesday, June 6.

Honourable Mr. Chevrier made a brief statement on the purposes of the Convention.

Mr. P. D. McTaggart-Cowan was called, examined and retired.

Mr. H. O. Moran was called and supplied answers.

On motion of Mr. Richard.

*Resolved,*—That the Committee approve the text of the Convention; and that the Chairman report to the House accordingly.

*Ordered,*—That the text of the Convention be printed as an Appendix. (*see this day's minutes of proceedings and evidence*)

The Chairman thanked the Minister of Transport and the witness.

The Committee decided to hold a meeting tomorrow to hear the Secretary of State for External Affairs.

At 5.00 o'clock p.m. the Committee adjourned until Tuesday, June 13, at 3.30 p.m.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*





## EVIDENCE

HOUSE OF COMMONS,

MONDAY, June 12, 1950.

The Standing Committee on External Affairs met this day at 3.30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Now, gentlemen, we have a quorum, and you deserve to be sincerely praised for making it possible for us to meet so early in the week. This afternoon we are going to deal with the Convention of the World Meteorological Organization. I believe you all have copies of the convention. It was sent to you by the clerk. Mr. Fraser quite rightly was asking me before the meeting why we were holding this meeting this afternoon. We thought that if we could get through with this discussion this afternoon then tomorrow Mr. Pearson will be here and he will be dealing with certain matters pertaining to the United Nations organization. We hope to conclude this part of our work this week and proceed with a consideration of our report the early part of next week.

I appreciate the fact that we have the Minister of Transport (Hon. Mr. Chevrier) with us this afternoon and I believe it will be in order for him to make a brief statement at the opening of our proceedings on the activities of the World Meteorological Organization, and he will be followed by Mr. P. D. McTaggart-Cowan, Assistant Comptroller, Meteorological Service, Department of Transport, Toronto, Ontario. Now Mr. Minister:

Hon. Mr. CHEVRIER: Mr. Chairman, this convention was brought about because of the rapid development in aviation and also because of numerous interests in meteorological stations. The forerunner of the convention was a conference which took place in Toronto and another one which took place in Washington in 1947. Both of these conferences recommended the establishment of a greater association, namely the World Meteorological Organization. The purposes of the organization are set out in article 2 and they are as follows—perhaps I might summarize: (1) to facilitate worldwide co-operation in the establishment of a network of stations; (2) to promote the establishment and maintenance of systems for the rapid exchange of weather information; (3) to promote standardization; (4) to further the application of meteorology to aviation, shipping, agriculture and other human activities; (5) to encourage research and training in meteorology and to assist in co-ordinating the international aspects of such research and training.

Generally speaking, weather systems move west to east and we in this country are particularly interested naturally because of the wide expanse of Canada. As a matter of fact, we have been able to give other countries a large amount of information because of the great geographical area which Canada occupies. In turn we have received information from other countries. There are in Canada at the moment—and this is subject to correction by the experts who are here—some five joint meteorological stations being operated by the United States and Canada in the far northern region. Another five are operated by Canada alone, in the Arctic region. Then there are in the North Atlantic Ocean some ten stations, one of which is now in operation jointly by Canada and the United States. In the Pacific there are seven, one of which is about to be operated by Canada exclusively, the understanding in that respect being that

when we complete an agreement with the United States for the operation of the Pacific coast stations we will have satisfied our obligations with respect to both the Atlantic and the Pacific Ocean stations.

Then, in addition to the stations to which I have already referred we operate some 257 weather observation stations, meteorological stations, for the primary use of aviation, and shipping and we are in a position to exchange information obtained from those stations through this convention. We also have some 700 or 800 climatological stations. These are places where people report conditions of the weather on a more or less voluntary basis. The whole procedure is very similar to that of the other United Nations organizations. There is a congress, called the World Meteorological Congress. There is an executive committee. There are regional meteorological associations. There are technical commissions, and there is a secretariat. The duties of all of these units of the organization are referred to more particularly in the various sections. Now, the convention has been signed at this time, by forty states, so I am informed, and it is to come into effect when thirty ratifications have been received.

As you will see by page 12 of the convention the cost to Canada is in the neighbourhood of \$4,000 to \$8,000 a year, and this organization will be one of the special agencies of the United Nations.

I think that is about all I can say at the moment; the technical aspects of the convention will be dealt with by Mr. McTaggart-Cowan.

Mr. FRASER: Did I understand you to say that \$4,000 would be the cost, that that would cover the cost to Canada? Would that be just for the membership in the organization?

Hon. Mr. CHEVRIER: If you will look at part 11, the finance section, you will see the congress determines the amount that each country shall be assessed, and that had not yet been determined when we arrived at the figures I have given. It is based on the amount that we were assessed when we belonged to International Meteorological Organization which was the forerunner of this new organization and it is only approximate.

Mr. FLEMING: Do you know how many ratifications have been deposited?

Hon. Mr. CHEVRIER: 33.

Mr. FLEMING: It is in effect now, then.

Hon. Mr. CHEVRIER: Yes.

Mr. FRASER: This organization does not suggest to you where you should set up stations?

Hon. Mr. CHEVRIER: No.

Mr. BATER: Does each country have equal representation on this board?

Hon. Mr. CHEVRIER: If each country decides to ratify the convention, yes.

The CHAIRMAN: I thank the minister for coming here this afternoon in this busy part of the session. We all know that the minister is busy; in fact, we are all busy. Do you think it will be necessary to keep the minister here for the rest of the afternoon?

Hon. Mr. CHEVRIER: I would like to stay for a while if the meeting is not going to be too lengthy.

Mr. FLEMING: Before we go on, I wonder which is a more convenient way of answering this question, whether the minister or Mr. McTaggart-Cowan should answer it.

I wonder if we could have a summary on the one hand of the benefits that are foreseen as accruing to Canada directly, and on the other hand any possibility of inconvenience or loss that might occur to Canada. As I read this document it sets up an organization and I suppose it depends on what that organization does whether benefits to Canada will follow or whether the benefits might turn to inconvenience or burden that may result to Canada.

Hon. Mr. CHEVRIER: With reference to the benefits, I do not think there can be any doubt about that. Because of our huge expanse it is important that we know what the weather is in the middle of the Pacific ocean and in the middle of the Atlantic ocean, both for ships and aircraft. If what my honourable friend has in mind is a fear of information that might be given to countries which are likely to not reciprocate, I am informed by our people that the U.S.S.R. have co-operated to the full extent and have given information from their weather stations which has been of great use, particularly that coming from the northwest, and the reports have been exchanged freely with all countries not excluding Russia. Mr. McTaggart-Cowan might want to add to that when he gives his explanation, but that is the information I have at the moment.

Mr. STICK: Mr. Chairman, those who live by the sea know the value of this service because there are hundreds of our fishing craft and the crews listen in every day to the weather forecasts. The hazards of the sea have been largely eliminated by getting twice a day forecasts of the weather; the fishermen know exactly what is ahead and they can then determine whether to put to sea or not. We have had a lot of tragedies in Newfoundland in the past on account of storms coming up, and we have lost many lives and vessels through lack of information like this. As far as the services are concerned, as far as the maritime provinces are concerned, the value of such an organization as this cannot be estimated in mere dollars and cents.

The CHAIRMAN: You all have your copy of the convention we are discussing at the present time. As you will notice it is quite a lengthy one. I will not read every part of it but I will call the parts such as I, II, and III and so on. The expert, Mr. McTaggart-Cowan, may not have a general statement to make at the beginning but he will be ready to answer questions based on any of the parts as they are called.

Mr. FLEMING: May I ask another question of a general nature before you launch into the detailed consideration of the articles?

How does the function of our own weather service for internal purposes fit in with the discharge of obligations under this convention?

Hon. Mr. CHEVRIER: Well, perhaps the witness could answer that.

**P. D. McTaggart-Cowan, Assistant Controller, Meteorological Services, Department of Transport, Toronto, called:**

The WITNESS: If I could use an example to illustrate; the merchant ships, to be adequately protected against the danger of storms, should have storm warnings available to them throughout the navigable waters of the world in the same form and, as far as possible, in the same language. It is through the International Meteorological Organization and it is proposed through the World Meteorological Organization to draw up some uniform plan for issuing these storm warnings to ensure that all navigable waters are adequately covered.

That is an example of how it would affect marine. It is necessary for us to be there to express what our ships' requirements are and also to lay down the type of service ultimately recommended to serve Canadian waters.

*By Mr. Fleming:*

Q. One other point of clarification. The matter of working out uniform methods throughout the world to give the necessary information on weather conditions to ships and mariners, is one thing; the actual operation of some of these stations in some remote parts of the world and perhaps in locations on the high seas is another. Now, to what extent is this conference that is going to grow out of this convention going to be engaged in the operation of stations? —A. It will not be operating any.



Q. It will still be operated on a purely national basis?—A. Yes, sir.

Q. And the intention of the convention is that the conference will simply seek to work out methods of pooling the information and systematizing it to make it uniform?—A. Yes, sir.

*By Mr. Green:*

Q. You are getting the information you require now from other nations such as the United States and the United Kingdom, are you?—A. Yes, sir.

Q. And what is the arrangement under which you get that information?—A. Under arrangement made by or through the International Meteorological Organization, sir. The exchange from Europe is by radio teletype from Paris through the Azores to New York and then up to Canada through Montreal. From the Pacific the connection is down through Alaskan bases and from Honolulu and San Francisco and sent into Canada through teletype circuits.

Q. That system has been working for quite a long time, has it not?—A. Yes, sir, it has been reorganized since the war to handle additional data.

Q. That organization is different from this World Meteorological Organization?—A. No, sir, the International Meteorological Organization has, in the past, discharged the functions which the World Meteorological Organization will take over with the exception that because of its status the I.M.O. cannot become a specialized agency of the United Nations.

Q. In effect, then, the World Meteorological Organization will be taking over the International Meteorological Organization—is that right?—A. Yes, sir.

Q. Well, why is it not possible to carry on as we are at the present time? What is to be gained by making this change?—A. Well, the International Meteorological Organization, sir, was formed in 1878 and has never been given any proper legal cloak. It was a meeting of the directors of the meteorological services of the world and run more or less on a gentleman's agreement. Consequently, when a specialized agency like ICAO and various other agencies were set up under the United Nations, it became difficult for an organization without legal status to function officially with United Nations specialized agencies. Also because of the status of the International Meteorological Organization, certain countries were having difficulty paying their assessments because their governments had become used to recognizing specialized agencies and here was an orphan which they could not quite see why they should continue to support.

Q. What is the present position with regard to the exchange of information under the new article two?

The CHAIRMAN: I wonder if you would prefer to hold your questions until we go over the articles one by one rather than to put them now? We should proceed in a certain order to go through the convention articles. It makes no difference to me.

*By Mr. Green:*

Q. I have one or two questions I would like to ask first, Mr. Chairman. What will be the difference under this new organization in the way of giving out information?—A. None, sir.

Q. There will be no change?—A. No, sir.

Q. As I read the convention, any nation which belongs to the organization will be entitled to get all the weather information available to another member. Is that right?—A. No, sir. The organization will recommend the format in which the information should be published and will encourage the exchange of that information. But that is as far as it goes. The exchange of information is done between the interested countries and not through the offices of the organization at all.

Q. Under the convention, for example, Canada would be bound to give to Russia whatever information she has, if Russia is a member of the organization.—A. No, sir. Might I refer you to article 8, part 6.

Mr. STICK: Why not go through the articles and discuss these things as we come to them, Mr. Chairman?

The CHAIRMAN: I think it would be more systematic to do so, although Mr. Green says he has a few questions he would like to ask. I take it that it would be in order for Mr. Green to ask his questions now.

Mr. GREEN: I do not particularly care so long as I have an opportunity to ask my questions as we go along.

The CHAIRMAN: Whatever we decide should be satisfactory to everybody. Would you prefer to carry on now, Mr. Green?

*By Mr. Green:*

Q. The point which has worried me about this organization throughout has been to what extent we shall be bound to give information to Russia, and to what extent Russia will be bound to give us information in return. That has been my main worry about it all the way through and I wondered if Mr. McTaggart-Cowan would explain it?—A. Yes, sir. At the present time we receive Russian weather reports through collecting stations in Alaska and through Paris. On the other hand, the Russians receive our weather reports, that is to say, reports of the day to day weather.

*By the Hon. Mr. Chevrier:*

Q. How does Russia get our reports?—A. They are broadcast from Paris.

Mr. BATER: Broadcast in English?

The Hon. Mr. CHEVRIER: No. There is a code.

*By Mr. Bater:*

Q. Oh, there is a code?—A. It is a figure code, it is not a cipher. It is shorthand.

*By Mr. Stick:*

Q. It is an international code?—A. Yes, sir. We do not send the printed statistics to Russia at the present time and the ratification of this convention would not change our obligation or bring any force to bear upon us to do so.

*By Mr. Green:*

Q. Does Russia get weather reports from these five joint weather stations we maintain along with the United States in northern Canada?—A. Yes, sir.

Q. And from the five which we maintain ourselves in northern Canada?—A. Yes, sir.

Q. Does Russia give us information about her stations in Siberia?—A. Yes, sir.

Q. And across the Arctic in northern Russia?—A. Yes, sir.

*By Mr. Fleming:*

Q. Suppose we wanted, for some reason which we do not like to contemplate, to terminate giving information of that kind to certain nations, how would we proceed, after the depositing of our ratification to this convention?—A. It would be necessary to put them in cipher, sir.

*By Mr. Green:*

Q. No, no. Suppose we decide that it is unwise for us to continue giving this information to Russia. We had become a member of this organization; so what steps would we have to take to be able to stop giving that information?

Hon. Mr. CHEVRIER: We just would not give it. That is all. I think it is section 8 (a) and (b).

*By Mr. Stick:*

Q. We are not obliged to give it. It is a gentleman's agreement more or less and we are not obliged to give anything.—A. That is right.

Mr. FLEMING: After all, this convention sets up an organization. That is about all it does. That is what we are asked to approve here. From that point on, the conference which comes into effect or into being, with ratification of this convention, can proceed to negotiate conventions among the members of the conference.

Hon. Mr. CHEVRIER: That is right. I can see no difference between this and ICAO, for example, which brings into association in Montreal some forty odd nations. Russia was invited to become a member of ICAO but she said: "No. We shall have nothing to do with it." But if she were there, I suppose she would have signed the specialized agency agreement and we would have proceeded to deal with her as we are now dealing with China, Czechoslovakia, and I think Yugoslavia, all of which nations are members of ICAO.

Mr. FLEMING: It will not be like ILO. There is nothing in this convention, as I see it, which gives power and authority to the conference to enter into conventions, or establish anything which will be binding on the members. It will still rest within their power only to submit to conventions which the members have ratified.

Hon. Mr. CHEVRIER: That is my understanding.

The CHAIRMAN: The reading of subsection (b) and subsection (a) is fairly definite. "If, however, any members find it impracticable to give effect to some requirement in a technical resolution adopted by Congress, such member shall inform the secretary-general of the organization, whether its inability to give effect to it is provisional or final, and state its reason therefor."

Mr. GREEN: That I think is not intended to be a way of getting out of complying with the convention. I do not think that was ever intended to meet the eventuality I mentioned—of Canada deciding she did not want to give the information.

Hon. Mr. CHEVRIER: Oh well, I think it is meant to, and Mr. McTaggart-Cowan can correct me if I am wrong. My understanding is that this section is intended to meet your very point—not to withdraw our position from the organization but to refuse to give information if we feel that certain nations should not get it.

The WITNESS: That is correct.

*By Mr. Green:*

Q. You believe that article 8 (b) goes so far that Canada could suddenly refuse to give information to Russia?—A. Yes, sir.

Q. To how many of these specialized agencies does Russia belong?

Mr. MORAN: I do not know whether I have that list here, Mr. Green, but I tabled it at our last meeting.

Hon. Mr. CHEVRIER: Do you remember how many specialized agencies there are?

Mr. MORAN: Twelve, and this will make thirteen. I tabled a document at our last meeting that listed the specialized agencies membership. ILO was the one we were dealing with last week and it had sixty countries as members.

Mr. GREEN: Russia belongs to only two or three?

Mr. MORAN: Three I believe.

Mr. GREEN: This one and what others?

Mr. MORAN: It may be down to two—I believe they have recently withdrawn from the World Health Organization.

Mr. FLEMING: Yes, I believe so.



*By Mr. Green:*

Q. Does Russia give us weather information from her military posts in Siberia?—A. Well, we have no way of knowing whether the posts are military, sir, but we get quite good coverage from Siberia.

Q. As far as Canada is concerned all the information we have available concerning weather from Canada is open to any of those nations now?—A. Yes, sir.

Q. Including information from the posts in the north?—A. Yes, sir.

(For convention see the Appendix to the report.)

The CHAIRMAN: Article 1, Establishment.

Carried.

Article 2, Purposes.

*By Mr. Green:*

Q. What is meant by the "establishment and maintenance of systems for the rapid exchange of weather information?"—A. That is to make recommendations, sir, by the telecommunications facilities necessary to insure that weather reports are made available in countries desiring them. In other words, the nomination of Paris as the broadcasting station to serve western Europe was an International Meteorological Organization recommendation. Under the new set-up it will be a world meteorological organization recommendation.

Q. What about subclause (c) "to further the application of meteorology to aviation, shipping, agriculture, and other human activities." If one country makes developments in the application of meteorology—say to aviation—are those developments to be made available to all other signatories to the convention?—A. Well, sir, if Canada made an advance that improved the safety of aviation and wished to have that advance implemented in Europe so that trans-Atlantic traffic had similar protection while in Europe, this would provide the vehicle for transfer of that information, if we so wished. If we did not wish to make it available to anybody else there is no compulsion to do so.

Q. In other words we can disclose what we wish and keep what we wish to ourselves?—A. Yes, sir.

Q. There would be no obligation under this article to disclose all our information?—A. No, sir.

The CHAIRMAN: I presume that the situation is due to the fact that in peacetime no nation wants to hold back information but in wartime the situation of the various countries would be bound by their own legislation.

Mr. GREEN: Of course, the difficulty is that a lot of developments made in peacetime might be of importance during wartime. If they are all given away then the other fellow has the same information.

The CHAIRMAN: Yes, new inventions may be reported but the weather would still be very fickle.

Hon. Mr. CHEVRIER: Is it not the same in the other United Nations organizations? Russia has refused to become part of the Atomic Energy Commission because she has refused to allow inspectors to go in her country and so on—and Russia is still a member of the United Nations. We could take the same position; if you want to walk out you can. I think this is on the same broad basis of UNO.

Mr. COTE: Even if in peacetime we gave daily information to nations or countries with which we were on good terms, it would not mean, in my estimation, that we could not break our relationship with any of those countries. The weather will not be exactly the same this day next year as it is today. If I understand this organization we are not surrendering anything; it is only a clearing house for people to agree on certain things and where they may



discuss certain arrangements. There is in these articles no surrendering of any national sovereignty of any nation.

The WITNESS: That is correct.

*By Mr. Green:*

Q. Well what is covered besides weather information? This article recites: "meteorological observations or other geophysical observations"—A. That would be solar radiation measurements. That is strictly speaking geophysics, but really necessary in the sense of meteorology today.

Q. There is really nothing beyond weather information?—A. No, sir.

*By Mr. Bater:*

Q. I was going to ask whether Russia is on a par with the rest of us in the association in that she has everything to gain and nothing to lose? Would that apply as far as Russia is concerned?—A. If she comes in.

Q. Yes, if she comes in?—A. If she comes in she thereby gains a voice in agreeing on the type of storm warnings, and the format of storm warnings, and other codes by which the information will be exchanged. If she stays out she has no voice in the setting of these patterns which will certainly lead the way for the rest of the world.

*By Mr. Green:*

Q. Of course her satellites are members, are they not?—A. Yes, sir.

Q. In these weather reports do you include forecasts?—A. Yes, sir. They are specialized forecasts for shipping or aviation.

Q. And for what time ahead would these forecasts be given?—A. Aviation forecasts, sir, are internationally given for twenty-four hours in advance. Shipping forecasts run between 24 and 36 hours, except in severe weather such as hurricanes and typhoons where we give the warnings as far ahead as we can.

Q. So any nation which is a member of this convention will get forecasts on weather for 24 hours ahead in the case of weather for aviation, and 24 to 36 hours ahead in the case of weather for shipping?—A. Yes, sir.

Q. That would be available to all nations belonging to the convention?

Hon. Mr. CHEVRIER: Unless we decide not to give it.

Mr. GREEN: I beg your pardon?

Mr. COTE: We could stop putting it out.

Mr. NOSEWORTHY: I suppose that would be only in the event of war?

Mr. COTE: Well, in peacetime too.

Mr. GREEN: I am not so sure about this right to stop; I would feel better if there were a definite right to stop.

The CHAIRMAN: Shall the article carry?

Carried.

Article 3, Members.

Carried.

Article 4, Organization.

*By Mr. Green:*

Q. Would you explain about regional meteorological associations, Dr. McTaggart-Cowan?—A. Yes, sir. When the world-wide recommendations on procedure and practices have been made by the Congress, it is usually necessary to leave an optional feature in order that tropical regions or northern countries may make maximum use of the procedure. Certainly weather elements which are useful in the north and temperate regions are not worth reporting in the

tropics. So when we have the world-wide recommendations there is a certain freedom of action which is determined regionally for the benefit of that region.

Q. What regional associations have been set up?—A. Under the International Meteorological Association there were six.

Q. What are they?—A. Africa; the South Pacific; Southeast Asia; North America; South America; and Europe—Europe including Russia.

Q. What one would the north Pacific be?—A. Pardon me, sir, I said South Pacific.

Q. What one would cover Japan, China, and Siberia?—A. Southeast Asia.

Mr. MORAN: Might I just go back. Mr. Green the table to which I made reference can be found on page 300 of the report of Canada and the United Nations. It shows the Soviet as members of three of the twelve specialized agencies.

Mr. GREEN: Which three are they? Can you read them to us?

Mr. MORAN: International Telecommunications Union, the Universal Postal Union, and this will make the third—the World Meteorological Organization.

*By Mr. Green:*

Q. Are there to be those same regional organizations under the World Meteorological Organization?—A. That is left for the first Congress of the new organization to determine, but, broadly speaking, those regions have been found fairly satisfactory.

Q. It is probably there would be the same six regions?—A. I believe so, sir.

Q. Under this convention a country which belongs in one region can sit in on meetings of any other region, can it not?—A. Yes, sir.

Q. What about the technical commissions? Have there been any organizations of that kind hitherto?—A. Yes, sir, there have been several technical commissions. There was a maritime commission which dealt with the application of meteorology to shipping; there has been an aeronautical commission; a climatological commission which deals with the unification of statistical information; an aerological commission dealing with the observations in the upper atmosphere and the physical constance of the atmosphere; and a commission for synoptic weather information—that is the one that reaches agreement on the codes by which weather information will be exchanged—and then minor commissions on the standardization of weather charts and the like.

Q. All those commissions are functioning now?—A. Yes, sir.

Q. Does Canada have representation on each one of them?—A. Yes sir.

The CHAIRMAN: Shall article 4 carry?

Carried.

Article 5, Eligibility.

Carried.

Article 6, World Meteorological Congress.

Carried.

Article 7, Functions.

*By Mr. Green:*

Q. Who represents Canada on the International Meteorological Association?—A. Dr. Andrew Thomson, Controller of the Meteorological Division.

Q. The controller?—A. Yes.

Q. That would be our representation in the new organization as well?—

A. That would be our recommendation, sir.

The CHAIRMAN: Shall article 7 carry?

Carried.

## Article 8, Execution of Congress Decisions.

*By Mr. Green:*

Q. It is under article 8 that Canada can refuse to give information?—  
A. That is right, sir. It is very similar, sir, to the language which has existed for the past eighty years under IMO, and at the start of World War II we merely discontinued broadcasts. For example we just discontinued our weather broadcasts from radio stations from St. John's, Newfoundland and from Point Grey in Vancouver until cyphers were distributed to the merchant marine, and then they were restarted under cypher. That was no breach of the IMO understanding.

Q. That was on the outbreak of war?—A. Yes, sir.

Q. You did not discontinue them until war had broken out?—A. No, sir, but there is nothing to prevent us taking that action at any time.

Q. Well, did Canada ever take that attitude in the past?—A. No, sir, because it would be to our own disadvantage.

Hon. Mr. CHEVRIER: Because what?

The WITNESS: It would be to our own disadvantage. We would be sure of retaliation. It would be very very difficult to give an accurate forecast for the coast of British Columbia without the north Pacific reports and those from Siberia.

Mr. GREEN: You get most of that from the States—from the Americans?

The WITNESS: We get the Siberian reports through the United States but they are broadcast from Russian radio stations.

Mr. NOSEWORTHY: In other words in peacetime Canada benefits as much from this co-operative enterprise as does Russia?

The WITNESS: Yes, sir.

Mr. STICK: Probably she benefits more because we have more shipping.

Mr. BATER: The north Pacific would be covered by Siberia and Alaska?

The WITNESS: Yes, sir. Actually, to do five-day broadcasts we have to draw a weather map of the whole northern hemisphere. So, if any country ceases giving their observations there would be retaliation and the country itself would lose as much as would any other country.

Mr. STICK: Most storms in the Atlantic originate in the Arctic and Greenland and if we did not have reports from there we would not have any storm warnings?

The WITNESS: It would be very difficult.

The CHAIRMAN: Shall article 8 carry?

Carried.

## Article 9, Meetings.

*By Mr. Green:*

Q. Have there been any meetings of the World Organization yet?—A. No, sir. The convention came into force as far as these signatures are concerned on March 23rd of this year, and it is proposed to hold the first congress in March of next year.

Q. And then one every four years?—A. Yes, sir.

*By Mr. Noseworthy:*

Q. There has been a meeting of the executive committee?—A. Of the executive committee of the International Meteorological Organization, yes.

Q. But not of the world organization?—A. No, sir.

Q. That has not yet been held?—A. No; the first congress elects the executive committee.

The CHAIRMAN: Shall article 9 carry?

Carried.

Article 10, Voting.

Carried.

Article 11, Quorum.

Carried.

Article 12, First Meeting of the Congress.

Carried.

Article 13, Composition.

*By Mr. Green:*

Q. Are there presidents of the regional associations now?—A. Yes, sir, under IMO.

Q. Under IMO there are presidents of those regional associations?

The CHAIRMAN: Shall article 13 carry?

Carried.

Article 14, Functions.

Mr. GREEN: Is it the situation that the executive committee really makes most of the decisions for the organization?

The WITNESS: Yes, sir, but they are decisions furthering the broad decisions of the congress.

Mr. COTE: After the congress has given approval?

The WITNESS: Yes there is a set of general recommendations established by the congress and the executive committee furthers those aims during the intervening four year periods.

Hon. Mr. CHEVRIER: They must be approved of by the conference?

The WITNESS: Yes.

Mr. GREEN: Under item (c) you have here "to provide technical information, counsel, and assistance in the field of meteorology." In what way would that be done? I understand Canada's share would be from \$4,000 to \$8,000 a year only. I think it would be largely travelling expenses for our representative. It does not seem to leave very much for the work of the organization.

The WITNESS: The intent there would be that if a country such as Ethiopia were having a problem in bringing their meteorological service up to modern standards they might well ask for the advice of the world meteorological organization on how the recommendations would apply in their country. It would be the job of the secretariat, under the direction of the executive committee, to try to help and to do what they could to help.

*By Mr. Noseworthy:*

Q. The secretariat will be specialists in their field.—A. The proposals, sir, which of course would have to be agreed at the first congress, are for a staff of six experts and 25 or 30 stenographers, translators, and ancillary personnel.

Q. Those men will constitute the advisory body?—A. The six would be the professional members of the secretariat.



*By Mr. Green:*

Q. Is it not the intention that people would be engaged to do some of that work?—A. No, sir. It would not be the intention that the World Meteorological Organization would actually send a mission in to help Pakistan or Ethiopia. There is no sort of operational responsibility placed on the organization at all. It would be purely in an advisory capacity interpreting the rules of congress.

Q. If some expert did go to Ethiopia, that would be financed by the country from which that expert came?—A. Yes, or by Ethiopia itself.

Q. There would be no charge against the World Meteorological Organization?—A. No.

The CHAIRMAN: Shall article 14 carry?

Carried.

Article 15, Meetings.

Carried.

Article 16, Voting.

Carried.

Article 17, Quorum.

Carried.

Article 18, Regional Associations.

*By Mr. Green:*

Q. Why do you have the provision that members can attend other regional association meetings?—A. Because, sir, of the need to have this hemisphere—wide exchange of weather information. For example, if the European regional organization is meeting and determining the optional features of weather observing that will apply in Europe, we will have an interest in that because we desire certain weather information from Europe to plot on our weather charts here, and if the European systems and communications could be made to serve both Europe and our needs, then over-all economy is achieved.

Q. Well, Canada could sit in in the southeast Asia association and China could sit in in the North American regional association?—A. Yes.

The CHAIRMAN: Is the article carried?

Carried.

*By Mr. Bater:*

Q. Under article 18, Part VIII, "Regional Associations", supposing any country or representative or group of representatives should bring about something which superseded anything else heretofore known in regard to weather forecasting, does our country share in that something new which has been discovered?—A. Not unless the country which has done the research wishes to share.

The CHAIRMAN: Shall the article carry?

Carried.

Article 19, Part IX, "Technical Commissions"—carried?

*By Mr. Green:*

Q. What about financing those technical commissions?—A. Well, sir, the six-man secretariat will provide the secretarial work to continue the activities of the commission between meetings and will also supply the secretary for the meeting itself, and that will be about the total expense involved because each country will pay the travelling expenses of its own delegates.

*By Mr. Cote:*

Q. Mr. Chairman, is there not a sort of financial help coming from the United Nations for those specialized organizations in the United Nations?—

A. Well, sir, I think we are supposed to be financially independent.

Q. But is there not in the secretariat of the United Nations a special provision for all of these specialized organizations? Is there not provision because of necessity or urgency or what the United Nations may decide about these specialized organizations of which this will be one?

Mr. MORAN: Each specialized agency has its own budget, which is planned for the coming year.

Mr. COTE: On top of that?

Mr. MORAN: Well, there is the over-all United Nations Organization budget which might be in such a financial position that it could in time of emergency lend some assistance to a particular specialized agency.

The CHAIRMAN: Shall the article carry?

Carried.

Article 20, of Part X, "The Secretariat"—carried?

Carried.

Article 21, under Part X—shall it carry?

Carried.

*By Mr. Green:*

Q. Is there a secretary-general of the I.M.O.?—A. Yes, sir, Dr. Swoboda.

Q. I presume he would be the secretary-general of the new organization?

—A. Not necessarily, sir, no. He has performed his work quite efficiently, but there is complete freedom of choice for the first congress.

Q. Which country does he represent?—A. He is a Swiss, sir.

The CHAIRMAN: Does the article carry?

Carried.

Article 22, under Part X—shall it carry?

Carried.

Article 23, Part XI, "Finances"—

Mr. GREEN: I wonder if the minister could tell us on what he bases his estimates?

Hon. Mr. CHEVRIER: On the same proportion we are paying under I.M.O. We have been paying, as I said in the House, from around \$2,500 to \$3,000. On the basis we will be required to pay from \$4,000 to \$8,000.

*By Mr. Green:*

Is the staff of the meteorological organization as large as this World Meteorological Organization will be?

The WITNESS: No, sir, the International Meteorological Organization numbers twenty-five—two of which are professional.

Q. And the staff of the World Meteorological Organization is how much?

—A. Thirty-nine—six of which will be professionals.

The CHAIRMAN: Shall the article carry?

Carried.

Article 24, under Part XI—shall the article carry?

Carried.

Part XII, Article 25, "Relations with the United Nations"—shall the article carry?

Carried.

Part XIII, Article 26, "Relations with Other Organizations"—shall the article carry?

*By Mr. Green:*

Q. On Article 26 (b);

The organization may on matters within its purpose make suitable arrangements for consultation and co-operation with non-governmental international organizations and, with the consent of the government concerned, with national organizations, governmental or non-governmental.

Can you give us some examples of that?—A. Well, sir, within the sphere of the aerological commission, that is the commission which deals with the physical constants of the upper air and the methods of measurement, in our meetings in 1947 it was necessary to reach agreement on the physical constants so that the heating and ventilating engineers and a great number of others who come into daily contact with those properties would have an international standard on which they could quote the efficiencies of their machines or equipment. It was necessary in that case to call in for consultation members of their organization which is non-governmental. It is an association of industrial experts and without their help we would have come up with a much less complete answer and much less satisfying.

Q. So that World Organization could consult with an organization within Canada, for example?—A. Yes, sir.

Q. Even though that might be a non-governmental organization within Canada?—A. Yes, sir.

*By Mr. Cote:*

Q. But with permission of the government?—A. Yes, sir.

The CHAIRMAN: Does the article carry?

*By Mr. Decore:*

Q. Is there any way of checking any information any government gives on weather conditions—whether it is correct or authentic or not misleading by certain countries?—A. It is quite easy to do, sir, because in drawing hemispherical charts there are certain weather patterns which progress, not regularly but more or less regularly from west to east. So if these patterns were coming up to the borders of the country who were faking their weather observations and then the pattern was becoming obscure, I do not think it would take us more than forty-eight hours to detect anything of that sort. It would be very, very obvious.

Q. I was thinking that you might not necessarily get all the information from certain particular countries.—A. If they are using an international code then, sir, it makes provision for the information.

The CHAIRMAN: Shall the article carry?

Carried.

Part XIV, Article 27, "Legal Status, Privileges and Immunities"—

*By Mr. Green:*

Q. Could we have an explanation of this article? For example, 27 (b):—

(b) (i) The organization shall enjoy in the territory of each member to which the present convention applies such privileges and immunities as may be necessary for the fulfilment of its purposes and for the exercise of its functions.



Now, can you give us an example of these privileges and immunities?—A. Yes, sir, the privileges and immunities which are accorded ICAO staff in Montreal.

Q. But the privileges apply further to officials within the World Meteorological Organization. For example, under (b) (ii):—

Representatives of members and officials of the organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the organization.

Now, that would appear to mean that representatives, say, of China or Russia, would have certain immunities in Canada now. What would the privileges and immunities be in Canada?—A. Subject to correction from External Affairs, I think the only immunity a delegate to ICAO has is the right to come into the country if he has a valid passport. I do not think there are any other immunities accorded to visiting delegates.—Q. Well, it says—"such privileges and immunities as are necessary for the independent exercise of their functions in connection with the organization."

*By Mr. Cote:*

Q. Would not that mean that the organization is assuring delegations from all the countries involved in this agreement that as long as they are in a foreign country on their own that, irrespective of the attitude they may take at the congress, they would be as immune as any representative is at any international conference?—A. That is right.

Hon. Mr. CHEVRIER: Is not that covered by the next section:—

(c) Such legal capacity, privileges, and immunities shall be defined in a separate agreement to be prepared by the organization in consultation with the Secretary-General of the United Nations and concluded between the members which are states.

In other words, the draft agreement covering those privileges, immunities and so forth must be approved?

Mr. MORAN: Yes, sir. There was a general convention on privileges and immunities adopted by the general council of the United Nations in 1946 and accepted by Canada. In that Convention provision was made for a similar agreement covering privileges and immunities to be drafted by the various specialized agencies: in other words, the privileges and immunities included in that general United Nations convention could be extended by separate agreement to each of the specialized agencies.

Mr. GREEN: Does that mean that representatives from other countries could visit our weather stations, for example?

Mr. MORAN: Well, I hesitate to suggest what the drafters had in mind in this particular section, but that is not what would be contemplated in the normal agreement covering privileges and immunities which would be drawn up by a specialized agency. It is my view that what is intended here is a type of agreement like that of ICAO, for example, or like the one which the Universal Postal Union has drafted, setting up the specific privileges and immunities which would be extended to members of the organization in the host country. In other words, this organization will have headquarters located permanently in some country. It will be a permanent headquarters—

*By Mr. Green:*

Q. Put it around the other way—what right would a representative of Canada have to go to Russia and visit their stations?—A. Well, sir, it would depend on what agreement was consummated between the United Nations and that country under subparagraph (c) of article 27.



*By Mr. Noseworthy:*

Q. Those regulations have yet to be drafted?—A. Yes, sir, that will be the second step after the organization has its first meeting.

Q. And the agreement has to be made between the United Nations and the country concerned?—A. Yes.

Mr. GREEN: What is the view of your department with regard to these privileges and immunities? Apparently there will be an agreement drawn up. Now, under what terms will Canada be included? Do you want any right to visit stations in another country, or what?

Hon. Mr. CHEVRIER: Should it not be clearly stated that "privileges and immunities" cannot comprehend any such thing as that? My understanding of privileges and immunities is that they are certain advantages which members of this organization would have in the country where the headquarters exist. I do not think it could have the broad interpretation which Mr. Green is putting on it at this time.

Mr. MORAN: In this field there are really two types of privileges visualized. The first is that the organization will have the legal and practical means within countries of carrying out its functions. The second is on questions of taxation—that this organization will not have taxes imposed on it by the host country which, in effect, would mean that one country was extracting a tax from another member government. Those are the two broad fields of immunity.

The CHAIRMAN: Shall the article carry?

Carried.

Part XV, Article 28, "Amendments"—shall the article carry?

Carried.

Part XVI, Article 29, "Interpretation and Disputes"—shall the article carry?

Mr. GREEN: Why does not that go to the International Court of Justice?

Mr. MORAN: Well, for one reason, sir, it might not be a legal dispute. It might be some question of a technical nature. The International Court of Justice would be an extremely busy body if it were dealing with a dispute that arose on any technical matter in all of the thirteen specialized agencies. These agencies now have the right of appeal to the International Court of Justice on a question of international law.

Mr. CÔTÉ: Well, as a matter of fact, I think the article says, if you read the whole article—"appointed by the president of the International Court of Justice."

Mr. GREEN: But it says, "shall be referred to an independent arbitrator."

Mr. CÔTÉ: Yes, but it says, "appointed by the president of the International Court of Justice."

The CHAIRMAN: Does the article carry?

Carried.

Article 30, Part XVII, "Withdrawal"—does the article carry?

*By Mr. Green:*

Q. Mr. Chairman, could I ask Dr. McTaggart-Cowan to what extent reports from Siberia are of value to Canada in view of the fact that we get reports from Japan and the Aleutian islands and Alaska and through the Americans? To what extent is there value in the reports from Siberia?—A. They are very valuable indeed, sir, because the atmosphere is really a heat engine. The most important cold source from the point of view of western Canada is Siberia, and the heat source is down in the tropical regions of the Pacific. So that if one thinks of it as an engineering problem—"There is a cold source," and "There is a heat source," it is an important thing to know the intensity of both.

Q. We would get to know, in any event—probably not quite so fast—we would get that from the Americans in Alaska or Japan?—A. Well, sir, if we were deprived of Siberian weather, it would be impossible to do a five-day forecast for the province of British Columbia or even for Canada west of Winnipeg, because by the time the weather was observed at the ocean weather station, which it is proposed to put west of the coast of British Columbia, it would only be about one day away.

Q. It would be observed in Alaska by the Americans, would it not?—A. Only at about the same time, sir, because the normal passage of cold air off Siberia is to move out into the Pacific and swing around and meet the Alaskan and British Columbian coast almost simultaneously.

Q. Does that apply to the Aleutian islands?—A. The Aleutians would observe the northern extremity of it, but they would get no observations on the actual air that would arrive over British Columbia that would be different. That would be out over the Pacific?

The CHAIRMAN: Shall article 30 carry?

Carried.

*By Mr. Bater:*

Q. Is this the clause that would apply in case of war with any of these countries that are in this organization?—A. No, sir, it would not be necessary to withdraw from the organization in time of war

*By Mr. Leger:*

Q. You could withdraw the information?—A. We could withdraw the information without withdrawing ourselves.

The CHAIRMAN: Article 31, Part XVIII, "Suspension"—shall the article carry?

Carried.

Article 32, Part XIX, "Ratification and Accession"—shall the article carry?

Carried.

Shall article 33, under the same Part XIX, carry?

Carried.

Article 34, Part XIX,—shall the article carry?

Carried.

Article 35, Part XX, "Entry into Force"—shall the article carry?

*By Mr. Green:*

Q. You say that thirty nations had ratified in March of this year?—A. Yes, sir, the thirtieth nation ratified on the 23rd of March, and there have been three additional since.

Q. Have any of the larger powers not ratified?

Mr. COTE: The list is there, is it not?

Mr. GREEN: No.

The WITNESS: Australia, France, India, New Zealand—

*By Mr. Green:*

Q. Have or have not?—A. —and the U.S.S.R., the United Kingdom and United States have all ratified.

Mr. NOSEWORTHY: Is there any special reason, Mr. Chairman, why we have taken three years to ratify this?

Hon. Mr. CHEVRIER: Well, I think I am responsible for one year's delay. We had this on the order paper at the last session. I think that is during your

interval as a non-member, and it was brought out in the last few days and it was thought that there was not enough time. It was one of the many things withdrawn at that time.

Mr. MORAN: It is probably not accurate to refer to it as three years' delay, because, although the meeting was in October of 1947, the final draft had not been prepared and presented to the various governments until well into 1948.

Mr. NOSEWORTHY: There was no basic reason for objecting?

Mr. MORAN: No.

*By Mr. Green:*

Q. When did the United States and U.S.S.R. ratify?—A. The U.S.S.R. on April 2, 1948, and the United States on May 4, 1949.

Q. And the United Kingdom?—A. December 14, 1948.

The CHAIRMAN: Shall the article carry?

Carried.

Shall Annex I carry?

*By Mr. Green:*

Q. With regard to these groups set out in Annex II, just what part do they play in this organization?—A. They are countries who have independent meteorological organizations for which the technical control is their own and not exercised by some states but who do not have control of their own external affairs and they are not classified as states. They take part in all technical discussions because they bring, by virtue of their geographical distribution, a wealth of knowledge to the meetings but on any question dealing with the convention or the admission or the expulsion of members or anything of that sort they have no vote. In all formal votes it is restricted to states only.

Q. I can see that there would be very valuable information to be obtained from them?—A. Yes, sir.

The CHAIRMAN: Shall Annex II carry?

Carried.

As we have called the convention by article, I believe we will agree to approve the printing of that convention as an appendix to our report. Will that be satisfactory to the members? Carried?

Carried.

Mr. RICHARD: I move that the convention be approved and that the chairman so report to the House.

Mr. NOSEWORTHY: I second that motion.

The CHAIRMAN: All in favour of the motion?

Carried.

Now, I believe that we all highly appreciate the presence of Mr. McTaggart-Cowan and the fine information he has given to our committee, and we will thank him in the usual manner.

The next meeting will be tomorrow at 3.30. Mr. Pearson will be present on that occasion.

Again I want to thank you for your prompt and numerous attendance.

The committee adjourned.

## APPENDIX

## I

## CONVENTION OF THE WORLD METEOROLOGICAL ORGANIZATION

With a view to co-ordinating, standardizing, and improving world meteorological activities and to encouraging an efficient exchange of meteorological information between countries in the aid of human activities the contracting States agree to the present Convention, as follows:

## PART I

*Establishment*

## ARTICLE 1

The World Meteorological Organization (hereinafter called the Organization) is hereby established.

## PART II

## ARTICLE 2

*Purposes*

The purposes of the Organization shall be:

- (a) To facilitate worldwide cooperation in the establishment of networks of stations for the making of meteorological observations or other geophysical observations related to meteorology and to promote the establishment and maintenance of meteorological centres charged with the provision of meteorological services;
- (b) To promote the establishment and maintenance of systems for the rapid exchange of weather information;
- (c) To promote standardization of meteorological observations and to ensure the uniform publication of observations and statistics;
- (d) To further the application of meteorology to aviation, shipping, agriculture, and other human activities; and
- (e) To encourage research and training in meteorology and to assist in coordinating the international aspects of such research and training.

## PART III

*Memberships*

## ARTICLE 3

*Members*

The following may become Members of the Organization by the procedure set forth in the present Convention:

- (a) Any State represented at the Conference of Directors of the International Meteorological Organization convened at Washington, D.C., on September 22, 1947, as listed in Annex I attached hereto, and which signs the present Convention and ratifies it in accordance with Article 32, or which accedes thereto, in accordance with Article 33;
- (b) Any Member of the United Nations having a meteorological service by acceding to the present Convention in accordance with Article 33;



- (c) Any Member responsible for the conduct of its international relations and having a meteorological service, not listed in Annex I of the present Convention and not a Member of the United Nations, after the submission of a request for membership to the Secretariat of the Organization and after its approval by two-thirds of the Members of the Organization as specified in paragraphs (a), (b) and (c) of this Article by acceding to the present Convention in accordance with Article 33;
- (d) Any territory or group of territories maintaining its own meteorological service and listed in Annex II attached hereto, upon application of the present Convention on its behalf, in accordance with paragraph (a) of Article 34, by the State or States responsible for its international relations and represented at the Conference of Directors of the International Meteorological Organization convened at Washington, D.C., on September 22, 1947, as listed in Annex I of the present Convention.
- (e) Any territory or group of territories, not listed in Annex II of the present Convention, maintaining its own meteorological service but not responsible for the conduct of its international relations, on behalf of which the present Convention is applied in accordance with paragraph (b) of Article 34, provided that the request for membership is presented by the Member responsible for its international relations, and secures approval by two thirds of the Members of the Organization as specified in paragraphs (a), (b) and (c) of this Article.
- (f) Any trust territory or group of trust territories maintaining its own meteorological service and administered by the United Nations to which the United Nations applies the present Convention in accordance with Article 34.

Any request for membership in the Organization shall state in accordance with which paragraph of this Article membership is sought.

## PART IV

### *Organization*

#### ARTICLE 4

- (a) The Organization shall comprise:
  - (1) The World Meteorological Congress (hereinafter called the Congress);
  - (2) The Executive Committee;
  - (3) Regional Meteorological Associations (hereinafter called the Regional Associations);
  - (4) Technical Commissions;
  - (5) The Secretariat.
- (b) There shall be a President and two Vice-Presidents of the Organization who shall also be President and Vice-Presidents of the Congress and of the Executive Committee.

## PART V

### *Eligibility*

#### ARTICLE 5

- (a) Eligibility for election to the offices of President and Vice-President of the Organization, of President and Vice-President of the Regional Associations, and for membership, subject to the provisions of Article

13 (c) of the present Convention, on the Executive Committee should be confined to the Directors of Meteorological Services of Members of the Organization.

- (b) In the performance of their duties, the officers of the Organization and the members of the Executive Committee should regard themselves as representatives of the Organization rather than as representatives of particular Members thereof.

## PART VI

### *The World Meteorological Congress*

#### ARTICLE 6

##### *Composition*

- (a) The Congress is the supreme body of the Organization and shall be composed of delegates representing Members. Each Member shall designate one of its delegates, who should be the director of its meteorological service, as its principal delegate.
- (b) With a view to securing the widest possible technical representation, any director of a meteorological service or any other individual may be invited by the President to be present at and participate in the discussions of the Congress.

#### ARTICLE 7

##### *Functions*

The functions of the Congress shall be:—

- (a) To determine general regulations, subject to the provisions of the present Convention, prescribing the constitution and the functions of the various bodies of the Organization;
- (b) To determine its own rules of procedure;
- (c) To elect the President and Vice-Presidents of the Organization, and other Members of the Executive Committee, in accordance with the provisions of Article 10 (a) (4) of the present Convention. Presidents and Vice-Presidents of Regional Associations and Technical Commissions shall be elected in accordance with the provisions of Articles 18 (e) and 19 (c), respectively, of the present Convention;
- (d) To adopt technical regulations covering meteorological practices and procedures;
- (e) To determine general policies for the fulfilment of the purposes of the Organization as set forth in Article 2 of the present Convention;
- (f) To make recommendations to members on matters within the purposes of the Organization;
- (g) To refer to any other body of the Organization any matter within the provisions of the present Convention upon which such body is empowered to act;
- (h) To consider the reports and activities of the Executive Committee and to take such action in regard thereto as the Congress may determine;
- (i) To establish Regional Associations in accordance with the provisions of Article 18; to determine their geographical limits, co-ordinate their activities, and consider their recommendations;
- (j) To establish Technical Commissions in accordance with the provisions of Article 19; to define their terms of reference, co-ordinate their activities, and consider their recommendations;
- (k) To determine the location of the Secretariat of the Organization;
- (l) To take any other appropriate action to further the purpose of the Organization.

## ARTICLE 8

*Execution of Congress Decisions*

- (a) All Members shall do their utmost to implement the decisions of the Congress.
- (b) If, however, any Member finds it impracticable to give effect to some requirement in a technical resolution adopted by Congress, such Member shall inform the Secretary General of the Organization whether its inability to give effect to it is provisional or final, and state its reasons therefor.

## ARTICLE 9

*Meetings*

Meetings of the Congress shall be convened by decision of the Congress or of the Executive Committee at intervals not exceeding four years.

## ARTICLE 10

*Voting*

- (a) Each Member shall have one vote in decisions of the Congress, except that only Members of the Organization which are States, as specified in paragraphs (a), (b) and (c) of Article 3 of the present Convention (hereinafter referred to as "Members which are States"), shall be entitled to vote on any of the following subjects:—
  - (1) Amendment or interpretation of the present Convention or proposals for a new Convention;
  - (2) Membership of the Organization;
  - (3) Relations with the United Nations and other intergovernmental organizations;
  - (4) Election of the President and Vice-Presidents of the Organization and of the members of the Executive Committee other than the Presidents and Vice-Presidents of the Regional Associations.
- (b) Decisions of the Congress shall be by two-thirds majority of the votes cast for and against, except that elections of individuals to serve in any capacity in the Organization shall be by simple majority of the votes cast. The provisions of this paragraph, however, shall not apply to decisions taken in accordance with Articles 3, 25, 26 and 28 of the present Convention.

## ARTICLE 11

*Quorum*

A majority of the Members shall be required to constitute a quorum for meetings of the Congress. For those meetings of the Congress at which decisions are taken on the subjects enumerated in paragraph (a) of Article 10, a majority of the Members which are States shall be required to constitute a quorum.

## ARTICLE 12

*First Meeting of the Congress*

The first meeting of the Congress shall be convened by the President of the International Meteorological Committee of the International Meteorological Organization as soon as practicable after the coming into force of the present Convention.

PART VII  
*The Executive Committee*

## ARTICLE 13

*Composition*

The Executive Committee shall consist of:

- (a) The President and Vice-Presidents of the Organization;
- (b) The Presidents of Regional Associations, or in the event that Presidents cannot attend, alternates as provided for in the general regulations;
- (c) Directors of Meteorological Services of Members of the Organization or their alternates, equal in number to the number of Regions, provided that not more than one-third of the members of the Executive Committee, including the President and Vice-Presidents of the Organization, shall come from one region.

## ARTICLE 14

*Functions*

The Executive Committee is the executive body of the Congress and its functions shall be:

- (a) To supervise the execution of the resolutions of the Congress;
- (b) To adopt resolutions arising out of recommendations of the Technical Commissions on matters of urgency affecting the technical regulations, provided that all Regional Associations concerned are given an opportunity to express their approval or disapproval before adoption by the Executive Committee;
- (c) To provide technical information, counsel, and assistance in the field of meteorology;
- (d) To study and make recommendations on any matter affecting international meteorology and the operation of meteorological services;
- (e) To prepare the agenda for the Congress and to give guidance to the Regional Associations and Technical Commissions in the preparation of their agenda;
- (f) To report on its activities to each session of the Congress;
- (g) To administer the finances of the Organization in accordance with the provisions of Part XI of the present Convention;
- (h) To perform such other functions as may be conferred on it by the Congress or by the present Convention.

## ARTICLE 15

*Meetings*

The Executive Committee shall meet at least once a year. The time and place of the meeting shall be determined by the President of the Organization, taking account of the views of the other members of the Committee.

## ARTICLE 16

*Voting*

Decisions of the Executive Committee shall be by two-thirds majority of the votes cast for and against. Each member of the Executive Committee shall have only one vote, notwithstanding that he may be a member in more than one capacity.

## ARTICLE 17

*Quorum*

The quorum shall consist of a majority of the members of the Executive Committee.



## PART VIII

*Regional Associations*

## ARTICLE 18

- (a) Regional Associations shall be composed of the Members of the Organization, the networks of which lie in or extend into the Region.
- (b) Members of the Organization shall be entitled to attend the meetings of Regional Associations to which they do not belong, take part in the discussions, present their views upon questions affecting their own Meteorological Service, but shall not have the right to vote.
- (c) Regional Associations shall meet as often as necessary. The time and place of the meeting shall be determined by the Presidents of the Regional Associations in agreement with the President of the Organization.
- (d) The functions of the Regional Associations shall be:
  - (i) To promote the execution of the resolutions of Congress and the Executive Committee in their respective regions;
  - (ii) To consider matters brought to their attention by the Executive Committee;
  - (iii) To discuss matters of general meteorological interest and to co-ordinate meteorological and associated activities in their respective regions;
  - (iv) To make recommendations to Congress and the Executive Committee on matters within the purposes of the Organization;
  - (v) To perform such other functions as may be conferred on them by the Congress.
- (e) Each Regional Association shall elect its President and Vice-President.

## PART IX

*Technical Commissions*

## ARTICLE 19

- (a) Commissions consisting of technical experts may be established by the Congress to study and make recommendations to the Congress and the Executive Committee on any subject within the purposes of the Organization.
- (b) Members of the Organization have the right to be represented on the Technical Commissions.
- (c) Each Technical Commission shall elect its President and Vice-President.
- (d) Presidents of Technical Commissions may participate without vote in the meetings of the Congress and of the Executive Committee.

## PART X

*The Secretariat*

## ARTICLE 20

The permanent Secretariat of the Organization shall be composed of a Secretary General and such technical and clerical staff as may be required for the work of the Organization.

## ARTICLE 21

- (a) The Secretary General shall be appointed by the Congress on such terms as the Congress may approve.
- (b) The staff of the Secretariat shall be appointed by the Secretary General with the approval of the Executive Committee in accordance with regulations established by the Congress.

## ARTICLE 22

- (a) The Secretary General is responsible to the President of the Organization for the technical and administrative work of the Secretariat.
- (b) In the performance of their duties, the Secretary General and the staff shall not seek or receive instructions from any authority external to the Organization. They shall refrain from any action which might reflect on their position as international officers. Each Member of the Organization on its part shall respect the exclusively international character of the responsibilities of the Secretary General and the Staff and not seek to influence them in the discharge of their responsibilities to the Organization.

## PART XI

*Finances*

## ARTICLE 23

- (a) The Congress shall determine the maximum expenditures which may be incurred by the Organization on the basis of estimates submitted by the Secretary General and recommended by the Executive Committee.
- (b) The Congress shall delegate to the Executive Committee such authority as may be required to approve the annual expenditures of the Organization within the limitations determined by the Congress.

## ARTICLE 24

The expenditures of the Organization shall be apportioned among the Members of the Organization in the proportions determined by the Congress.

## PART XII

*Relations with the United Nations*

## ARTICLE 25

The Organization shall be brought into relationship with the United Nations pursuant to Article 57 of the Charter of the United Nations, subject to the approval of the terms of the agreement by two-thirds of the Members which are States.

## PART XIII

*Relations with Other Organizations*

## ARTICLE 26

- (a) The Organization shall establish effective relations and co-operate closely with such other inter-governmental organizations as may be desirable. Any formal agreement entered into with such organizations shall be made by the Executive Committee, subject to approval of two-thirds of the Members which are States.
- (b) The Organization may on matters within its purpose make suitable arrangements for consultation and co-operation with non-governmental international organizations and, with the consent of the government concerned, with national organizations, governmental or non-governmental.
- (c) Subject to approval by two-thirds of the Members which are States, the Organization may take over from any other international organization or agency, the purpose and activities of which lie within the purposes of the Organization, such functions, resources, and obligations as may be transferred to the Organization by international agreement or by mutually acceptable arrangements entered into between the competent authorities of the respective organizations.

## PART XIV

*Legal Status, Privileges and Immunities*

## ARTICLE 27

- (a) The Organization shall enjoy in the territory of each Member such legal capacity as may be necessary for the fulfilment of its purposes and for the exercise of its functions.
- (b) (i) The Organization shall enjoy in the territory of each Member to which the present Convention applies such privileges and immunities as may be necessary for the fulfilment of its purposes and for the exercise of its functions.  
(ii) Representatives of Members and officials of the Organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organization.
- (c) Such legal capacity, privileges, and immunities shall be defined in a separate agreement to be prepared by the Organization in consultation with the Secretary General of the United Nations and concluded between the Members which are States.

## PART XV

*Amendments*

## ARTICLE 28

- (a) The text of any proposed amendment to the present Convention shall be communicated by the Secretary General to Members of the Organization at least six months in advance of its consideration by the Congress.
- (b) Amendments to the present Convention involving new obligations for Members shall require approval by the Congress, in accordance with the provisions of Article 10 of the present Convention, by a two-third majority vote, and shall come into force on acceptance by two-thirds of the Members which are States for each such Member accepting the amendment and thereafter for each remaining such Member on acceptance by it. Such amendments shall come into force for any Member not responsible for its own international relations upon the acceptance on behalf of such a Member by the Member responsible for the conduct of its international relations.
- (c) Other amendments shall come into force upon approval by two-thirds of the Members which are States.

## PART XVI

*Interpretation and Disputes*

## ARTICLE 29

Any question or dispute concerning the interpretation or application of the present Convention which is not settled by negotiation or by the Congress shall be referred to an independent arbitrator appointed by the President of the International Court of Justice, unless the parties concerned agree on another mode of settlement.

## PART XVII

*Withdrawal*

## ARTICLE 30

- (a) Any Member may withdraw from the Organization on twelve months' notice in writing given by it to the Secretary General of the Organization, who shall at once inform all the Members of the Organization of such notice of withdrawal.



- (b) Any member of the Organization not responsible for its own international relations may be withdrawn from the Organization on twelve months' notice in writing given by the Member or other authority responsible for its international relations to the Secretary General of the Organization, who shall at once inform all the Members of the Organization of such notice of withdrawal.

## PART XVIII

### *Suspension*

#### ARTICLE 31

If any Member fails to meet its financial obligations to the Organization or otherwise fails in its obligations under the present Convention, the Congress may by resolution suspend it from exercising its rights and enjoying privileges as a Member of the Organization until it has met such financial or other obligations.

## PART XIX

### *Ratification and Accession*

#### ARTICLE 32

The present Convention shall be ratified by the signatory States and the instruments of ratification shall be deposited with the Government of the United States of America, which will notify each signatory and acceding State of the date of deposit thereof.

#### ARTICLE 33

Subject to the provisions of Article 3 of the present Convention, accession shall be effected by the deposit with the Government of the United States of America of an instrument of accession, which shall take effect on the date of its receipt by the Government of the United States of America, which will notify each signatory and acceding State thereof.

#### ARTICLE 34

Subject to the provisions of Article 3 of the present Convention,

- (a) Any contracting State may declare that its ratification of, or accession to, the present Convention includes any territory or group of territories for the international relations of which it is responsible.
- (b) The present Convention may at any time thereafter be applied to any such territory or group of territories upon a notification in writing to the Government of the United States of America and the present Convention shall apply to the territory or group of territories on the date of the receipt of the notification by the Government of the United States of America, which will notify each signatory and acceding State thereof.
- (c) The United Nations may apply the present Convention to any trust territory or group of trust territories for which it is the administering authority. The Government of the United States of America will notify all signatory and acceding States of any such application.

## PART XX

### *Entry into Force*

#### ARTICLE 35

The present Convention shall come into force on the thirtieth day after the date of the deposit of the thirtieth instrument of ratification or accession. The present Convention shall come into force for each State ratifying or acceding



after that date on the thirtieth day after the deposit of its instrument of ratification or accession.

The present Convention shall bear the date on which it opened for signature and shall remain open for signature for a period of 120 days thereafter.

### ANNEX I

STATES REPRESENTED AT THE CONFERENCE OF DIRECTORS OF THE INTERNATIONAL METEOROLOGICAL ORGANIZATION CONVENED AT WASHINGTON, D.C.,  
ON SEPTEMBER 22, 1947

Argentina	Italy
Australia	Mexico
Belgium	Netherlands
Brazil	New Zealand
Burma	Norway
Canada	Pakistan
Chile	Paraguay
China	Philippines
Colombia	Poland
Cuba	Portugal
Czechoslovakia	Rumania
Denmark	Siam
Dominican Republic	Sweden
Ecuador	Switzerland
Egypt	Turkey
Finland	Union of South Africa
France	Union of Soviet Socialist Republics
Greece	United Kingdom of Great Britain and Northern Ireland
Guatemala	United States of America
Hungary	Uruguay
Iceland	Venezuela
India	Yugoslavia
Ireland	

### ANNEX II

TERRITORIES OR GROUPS OF TERRITORIES WHICH MAINTAIN THEIR OWN METEOROLOGICAL SERVICES AND OF WHICH THE STATES RESPONSIBLE FOR THEIR INTERNATIONAL RELATIONS ARE REPRESENTED AT THE CONFERENCE OF DIRECTORS OF THE INTERNATIONAL METEOROLOGICAL ORGANIZATION CONVENED AT WASHINGTON, D.C., SEPTEMBER 22, 1947.

Anglo-Egyptian Sudan	Indo China
Belgian Congo	Jamaica
Bermuda	Madagascar
British East Africa	Malaya
British Guiana	Mauritius
British West Africa	Morocco (not including the Spanish Zone)
Cameroons	Netherlands Indies
Cape Verde Islands	New Caledonia
Ceylon	Palestine
Curacao	Portuguese East Africa
French Equatorial Africa	Portuguese West Africa
French Oceanic Colonies	Rhodesia
French Somaliland	Surinam
French Togoland	Tunisia
French West Africa	
Hong Kong	

## II

# FINAL ACT OF THE CONFERENCE OF DIRECTIONS OF THE INTERNATIONAL METEOROLOGICAL ORGANIZATION

The Conference of Directors of the International Meteorological Organization was convened at Washington on September 22, 1947, with the Government of the United States of America serving as the official host for the Conference.

The Conference was opened under the presidency of Sir Nelson Johnson, President of the International Meteorological Committee of the International Meteorological Organization.

As a result of the deliberations of the Conference, the Convention of the World Meteorological Organization was formulated and opened for signature on October 11, 1947, to remain open for signature for 120 days thereafter.

The Conference adopted the following resolution:

"This, the 12th Conference of Directors of the International meteorological Organization, which has been in existence since 1878, notes that the Directors of the following Meteorological Services are not present or represented at this Conference:

Afghanistan	French Togoland
Austria	Iraq
Bolivia	Jamaica
British Guiana	Latvia
Bulgaria	Lithuania
Byelorussian Soviet Socialist Republic	Luxembourg
Cameroons	Madagascar
Cape Verde Islands	Mongolia
Ceylon	New Caledonia
Curacao	Peru
Estonia	Portuguese East Africa
Haiti	Spain
French Somaliland	Surinam
French Oceanic Colonies	Ukrainian Soviet Socialist Republic

but further notes that in the Convention of the World Meteorological Organization, as formulated, provision is made in Article 3 (b), (c) and (d) thereof, whereby States and Territories maintaining meteorological services may become Members of the World Meteorological Organization upon compliance with the provisions of the said Article 3."

The Conference adopted the following resolutions with respect to Spain:

## I

"The Conference recognizes that in consequence of the Resolution of the General Assembly of the United Nations, dated December 12, 1946, the Director of the Spanish Meteorological Service is prevented from exercising his rights as a Member of the Conference of Directors until such time as said Resolution shall be abrogated or cease to be applicable."

## II

"In view of the Resolution of the General Assembly of the United Nations dated December 12, 1946, the Conference considers that Spain is, for the present, prevented from becoming a party to the Convention of the World Meteorological Organization.

"The Conference, however, agrees that Spain may, as soon as the Resolution of the General Assembly of the United Nations shall be abrogated or shall

cease to be applicable, accede to the Convention of the World Meteorological Organization by complying with the provisions of Article 33 of the said Convention, without having to comply with the provisions of Article 3 (c) of the said Convention."

The Conference also adopted the following resolutions:

## I

"The Conference, having formulated a Convention of the World Meteorological Organization, directs, that as soon as practicable after the entry into force of the said Convention, the President of the International Meteorological Committee shall convene an extraordinary session of the Conference of Directors of the International Meteorological Organization for the purpose of taking the necessary steps for transferring to the World Meteorological Organization the functions, activities, assets, and obligations of the International Meteorological Organization and making provision for the dissolution of the International Meteorological Organization.

"The Conference further directs that such extraordinary sessions of the Conference of Directors of the International Meteorological Organization take place simultaneously with the first meeting of the Congress of the World Meteorological Organization, which is to be convened by the President of the International Meteorological Committee in accordance with the provisions of Article 12 of the Convention of the World Meteorological Organization."

## II

"The Conference directs that, at least six months before the first meeting of the Congress of the World Meteorological Organization, the Executive Council of the International Meteorological Organization prepare and submit to the Members of the World Meteorological Organization the provisional agenda for that meeting and necessary documents and recommendations relating thereto, including

- (1) proposals as to program, budget, and contributions by Members for the first year of the Organization;
- (2) draft general regulations for approval by the Congress;
- (3) technical resolutions and regulations of the International Meteorological Organization for adoption by the World Meteorological Organization;
- (4) arrangements for the transfer to the World Meteorological Organization of the functions, activities, assets, and obligations of the International Meteorological Organization;
- (5) draft of agreement with the United Nations."

## III

"The Conference agrees that during the period in between the entry into force of the Convention for the World Meteorological Organization and the first meeting of the Congress of the World Meteorological Organization, the International Meteorological Organization shall carry on its usual functions through its established bodies and under its existing financial arrangements in order to ensure the necessary continuity in the world-wide co-operation of meteorological services."

The Conference also adopted a number of resolutions based on recommendations of its Commissions.

The final session of the Conference was held on October 11, 1947.

IN WITNESS WHEREOF the Directors of the following Meteorological Services, Members of the International Meteorological Organization, or their alternates or observers, sign this Final Act.

DONE at Washington, this eleventh day of October, 1947, in the English and French languages, each equally authentic, the original of which shall be deposited in the archives of the Government of the United States of America. The Government of the United States of America shall transmit certified copies thereof to all the Governments of those Directors of Meteorological Services represented at the present Conference.

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External Affairs, 810  
Committee on, 1950

( SESSION 1950

HOUSE OF COMMONS

Government  
Publications

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

TUESDAY, JUNE 13, 1950

Items 73 and 82 of the Main Estimates of the Department of External  
Affairs—1950-51

Statements by the Honourable L. B. Pearson

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.P.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950





## STANDING COMMITTEE

on

### EXTERNAL AFFAIRS

Chairman: J. A. Bradette, Esq.,

Vice-Chairman: Gordon Graydon, Esq.,

Messrs.

Balcer	Fleming	Low
Bater	Fournier ( <i>Maisonneuve-</i>	Macnaughton
Beaudoin	<i>Rosemont</i> )	McCusker
Benidickson	Fraser	Mutch
Breithaupt	Gauthier ( <i>Lake St. John</i> )	Noseworthy
Campney	Gauthier ( <i>Portneuf</i> )	Pearson
Coldwell	Goode	Picard
Cote ( <i>Matapedia-Matane</i> )	Green	Pinard
Croll	Hansell	Richard ( <i>Ottawa East</i> )
Decore	Jutras	Robinson
Dickey	Leger	Stick
Diefenbaker		

Clerk: ANTONIO PLOUFFE

## MINUTES OF PROCEEDINGS

TUESDAY, June 13, 1950.

The Standing Committee on External Affairs met at 3.30 p.m. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Benidickson, Bradette, Campney, Coldwell, Cote (*Matapedia-Matane*), Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Jutras, Low, Macnaughton, McCusker, Noseworthy, Pearson, Pinard, Richard (*Ottawa East*), Stick. (20).

*In attendance:* Honourable L. B. Pearson, Secretary of State for External Affairs; Mr. A. D. P. Heeney, Under-Secretary; Messrs. H. O. Moran and F. M. Tovell.

The Committee resumed consideration of Items 73 and 82.

Mr. Heeney was called and tabled answers to questions asked at previous meetings, namely:

1. Breakdown of expenditures respecting International Conferences for 1949-50, requested by Mr. Graydon. (*See Appendix A to this day's minutes of proceedings and evidence.*)

2. Breakdown of estimated expenditures on Fellowships by country, to Dec. 31, 1949, asked by Mr. Hansell. (*See Appendix B to this day's minutes of proceedings and evidence.*)

Honourable Mr. Pearson made a statement and commented on the main points of a Memorandum respecting a 20-year Program for achieving peace through the United Nations.

Copies of this memorandum of Mr. Trygvie Lie were distributed to the members.

Mr. Pearson stated that it was proposed to hold the next General Assembly of the United Nations abroad in 1951, and in 1952. The Assembly was scheduled to be held in the new United Nations building in New York City.

Mr. Pearson was examined on the Organization of European Economic Council.

Item 73 was adopted.

Mr. Pearson read a prepared statement on Item 82—International Joint Commission.

Mr. Pearson quoted the dates of four progress reports.

Mr. Jutras suggested the setting-up of an Advisory Board of Engineers.

After debate, Mr. Graydon moved that Mr. Spence be called.

In amendment thereto, Mr. Low moved that the following words be added after the word "called":

"as soon as possible after the hearings in the West have been completed".

Mr. Graydon incorporated the above in his motion and it was resolved in the negative.

Item 82 was carried.

At 6.05, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*

## EVIDENCE

HOUSE OF COMMONS,

MONDAY, June 12, 1950.

TUESDAY, JUNE 13

The Standing Committee on External Affairs met this day at 3:30 p.m.  
The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we will call the meeting to order. As on previous days I wish to thank you for coming early and in such large numbers. I know that many of you are under great handicap in having to come to this meeting.

We are trying to get Mr. Barton to discuss item 74, as requested by the committee at the meeting last week. As you know, however, he left London on the 6th of this month and will not be back until tomorrow. I do not know whether we will be able to get him for Thursday or for Friday but we will try to do the best we can. Of course, he may be tired from the trip and we will have to leave the matter to his discretion. We have sent notices to Mr. Barton and his officials.

I think it will now be in order to call item 73. It was the consensus of opinion of the members of the committee that we should leave item 73 so that there could be a general discussion of United Nations Organization and that is why we have the good offices of the Minister of External Affairs, Mr. Pearson, today.

Mr. Heeney, however, has a couple of questions to answer. Would it be in order to have those now?

Agreed.

Mr. HEENEY: For the record there are two questions which remain unanswered concerning which officials of the department have been obtaining additional information. One answer is in connection with a request from Mr. Graydon for a breakdown of expenditures during the past fiscal year under the vote for attendance at international conferences, including travelling expenses, living expenses, and general expenses by conferences. I have that here and I can either read it or put it in the record to appear in the proceedings of the committee.

Agreed. (See appendix A.)

The second question was by Mr. Hansell asking for further details on the program of the United Nations for technical assistance. I have a statement which I may make for the record.

The information I shall give is drawn from the report of the Secretary-General of the United Nations on the subject of technical assistance for economic development. This report covers the calendar year for 1949 and is the only available document describing the operations of the program to date.

The "regular" program of technical assistance for economic development has been in operation only since the beginning of 1949. Expenditures for the first fiscal year of operation are merely estimates and are further complicated by the fact that some of the operations under the program are of a continuing nature running beyond the end of the calendar year.

In the field of expert advice, wherein the United Nations sends out teams of experts to make surveys and give advice to the underdeveloped countries.



it is estimated by the United Nations that \$60,000 was spent by the end of the calendar year 1949. \$220,000 will be provided from the 1950 budget to complete activities initiated in 1949. The foreign countries which received assistance in this field in 1949, or which will receive such assistance during 1950 are: Afghanistan, Bolivia, Burma, Chile, Ecuador, Guatemala, Haiti, Iran, Mexico, Pakistan and Thailand.

In 1949, 68 persons in the underdeveloped countries were recommended to receive United Nations fellowships which would allow them to study or undergo training in the advanced countries. As of December 1, 1949, 42 fellowships holders had commenced their studies. Estimated expenditure on fellowships to December 31, 1949, was \$92,000. The total cost of the 68 fellowships recommended for award will be approximately \$166,500.

A breakdown of estimated expenditure on fellowships by countries follows and if it is agreeable I might put that in the record without reading the detail which might take up too much time.

Agreed. (See appendix B.)

It is further estimated that \$33,000 were spent by December 31, 1949, on the dissemination of technical information and that an additional \$22,000 will be spent in 1950 on completing projects under this heading begun in 1949.

Total expenditure under the regular program for technical activities and projects begun in 1949 is estimated to amount to \$501,500.

The Canadian Permanent Delegation to the United Nations in New York has been instructed to request the secretariat of the United Nations to provide such further information as may be available.

The CHAIRMAN: Are there any further questions on the answers given by Mr. Heeney?

We are now dealing with item No. 73. United Nations Organizations. Have any of the members questions to ask of the minister now or would you prefer the minister to make a statement on this item?

Mr. GRAYDON: I suppose, Mr. Chairman, that will depend on what Mr. Pearson came prepared to do; if he wanted to give a statement we could hear it, if he wanted questions, we can very readily provide him with one or two.

Hon. Mr. PEARSON: Mr. Chairman, I was of the impression—possibly it was not a correct impression—that the committee had expressed some interest at one of its earlier meetings in the memorandum which had been circulated by the Secretary General, dealing with a twenty-year program in achieving peace through the United Nations. I understood that the committee thought it might be of some interest to have a discussion of that memorandum, and for that purpose I might say something about it in order to initiate that discussion.

The memorandum was drafted, as I have said, by the Secretary General and submitted, in the first instance, by him to the governments of the U.S.A., the United Kingdom, France, and the U.S.S.R. He himself personally visited the capitals of these countries and discussed this memorandum with the foreign secretaries of the four governments I have mentioned, and also, I understand, with the Prime Minister of the United Kingdom, the Premier of France, and with Mr. Stalin at a midnight meeting in Moscow. I had an opportunity of discussing this matter with Mr. Lie in London. I had a copy of his memorandum. It has since been circulated to all members of the United Nations and, of course, I cannot say anything about his own mission. He will be reporting on that.

Mr. GRAYDON: Was the memorandum made public?

Hon. Mr. PEARSON: His memorandum has been made public. I think we have copies of it for circulation here today. Mr. Lie himself has made what I believe I should call an interim report on his visit and has expressed

the view that it was a useful one, and he has discussed this memorandum at Lake Success. It will be brought up, undoubtedly, for discussion in some agency of the United Nations, but I do not know which. The memorandum after a short introduction, outlines ten points which Mr. Lie had brought to the attention of the members of the United Nations in the hope that some progress may be made in clearing away some of the obstacles to international co-operation as a result of action based on these points. It is an important memorandum. For one thing it comes from the Secretary General of our World Organization and that in itself gives significance. It is a carefully reasoned, moderately expressed memorandum and I can assure members of the committee that we are giving it very careful consideration in the department and making a very careful analysis of the points, as we may be expected to express our views on those points at some suitable occasion. So far as Mr. Lie's mission, if I may call it that, was concerned, it has been criticized in some quarters that he was unwise in intervening in this way and that he was, to say the least, unwise in going to Moscow. I feel myself—it is my personal view—that he was entirely justified as Secretary General of the World Organization in taking any reasonable steps, reasonable in his opinion, to solve the difficulties that are preventing the United Nations from functioning as it should. And, of course, if he discussed these matters with the governments of the United Kingdom, France and the U.S.A. it would be difficult for him not to discuss them with the fourth permanent member of the Security Council, the government of the U.S.S.R.

On the basis of the information I have received in regard to this mission I would not call it in any way, shape or form a mission of "appeasement", if I can use that word. He was carrying out his functions as Secretary General of the United Nations in visiting the governments particularly concerned with this memorandum and getting their reactions to it. Of course, there is always the danger that a mission of this kind, might be used by people for their own purposes of propaganda. I hope those who take a step of this kind are aware of that danger. No doubt Mr. Lie, who is an experienced man in international affairs understands that position.

The first point—if you would like me to run over these points very briefly—proposes:

"Inauguration of periodic meetings of the Security Council, attended by foreign ministers, or heads or other members of governments, as provided by the United Nations charter and the rules of procedure; together with further development and use of other United Nations machinery for negotiation, mediation and conciliation of international disputes."

Well, no one can take any exception to that and certainly I do not think we would want to take exception to it if periodic meetings of the Security Council attended by foreign ministers or heads of governments could be useful. They are provided for in the United Nations charter.

Mr. Lie thought they might be useful but I suppose they will only be useful if those meetings are very carefully prepared for and if there is a disposition to come to some agreement at them. The mere institution of additional machinery on whatever level it may be constructed, will not, of itself, do very much to solve our difficulties; but I do not suppose anybody is going to object to the proposal in principle. It might be quite helpful if the Security Council could meet, as indeed the charter suggests, on the highest level periodically.

The second proposal—and I am quoting from his memorandum—reads:

A new attempt to make progress toward establishing an international control system for atomic energy that will be effective in preventing its use for war and promoting its use for peaceful purposes.

Well, this country has already expressed itself on that point and I think with general endorsement; that if any new attempt give could any promise of success

we certainly ought to try and make it. We have, I think I said in the House not long ago, been discussing with other governments concerned whether there is not some way whereby we can get these meetings of the "six" going again. They have, of course, been interrupted by the refusal of the U.S.S.R. representative to attend as long as there was a representative of nationalist China present and not a representative of communist China. The Russians, of course, in taking that attitude, are repeating the tactics they have adopted in respect of other United Nations agencies.

Mr. GRAYDON: May I interject one question there? I do not want to interfere with your statement, but would the Soviets be prepared to sit in if nationalist China refrained from attending, or do they require that communist China people have a seat?

Hon. Mr. PEARSON: Well, that is one of the possibilities that have been considered. We do not know, but we have no reason to believe that they will sit in at any United Nations agencies where China is now represented unless a communist representative of China is present, but we would certainly wish to do anything we could to get these discussions going again.

We are quite satisfied—and by "we" I mean governments who have accepted the majority plan for atomic control and that includes five of the six governments who have been participating in these smaller atomic discussions—we are satisfied that we have worked out a scheme of control which would be effective enough to make it safe to prohibit the use of atomic energy for destructive purposes. As you know, I do not want to go into this in detail as we have gone into it before. The Russians have refused to accept a system of inspection which we consider will be adequate for the purpose.

Mr. COLDWELL: And by that you mean unrestricted.

Hon. Mr. PEARSON: Unrestricted, complete freedom of United Nations inspectors to move anywhere without invitation.

Mr. GRAYDON: You mean a foolproof system.

Hon. Mr. PEARSON: A foolproof system, if there is any such thing as a foolproof system; as nearly foolproof as is possible.

Mr. COLDWELL: What would you call the form of government they now have in China; is that a straight Communist government or is that what is known as a popular front government? It is not straight Communist is it?

Hon. Mr. PEARSON: No, I think it is what you would call in European terminology a popular front government under Communist control. The top men are all Communists but they have included in their administration some who are not Communists.

Mr. GRAYDON: But the Communists likely have all the key positions.

Hon. Mr. PEARSON: The Communists people like Mao Tse Tung have the top posts in the government.

Mr. GRAYDON: But as in so many other instances the Communists staffed it but the revolution started with a kind of popular front.

Hon. Mr. PEARSON: Yes, that is certainly true.

Mr. STICK: Mr. Chairman, are we to ask questions now, or are we to wait until Mr. Pearson has finished his statement?

Hon. Mr. PEARSON: I would be quite happy to deal with these points seriatim with questions on each point; so if there are any questions on point No. 2 I would be glad to deal with them now.

Mr. STICK: I have a question there. Would it be true to say that Mr. Trygve Lie is really carrying out his duties as Secretary General of the United Nations in making visits of the kind he has just completed to Russia? Was not a precedent for that set by Sir Howard Jones when he was Secretary General?



Hon. Mr. PEARSON: Yes. It is quite normal for the secretary general of an international organization of this kind to see if there is anything he can do to iron out difficulties that develop.

Mr. STICK: And he has a precedent in that, has he not?

Hon. Mr. PEARSON: Oh yes, it has happened before.

The CHAIRMAN: I would like the members to speak as loudly as possible, we can't hear them up here.

Mr. COLDWELL: The minister has been speaking about atomic energy control; to what extent have the Russians agreed to inspection? I think we should have that on the record.

Hon. Mr. PEARSON: Well, we pressed Mr. Vishinsky pretty hard on this point at one of the last meetings of the assembly and I think one time he went so far, we thought, as to appear to meet the point for adequate inspection. I remember on one occasion he said: let your inspectors come in periodically, but periodically might be every hour, every two hours, every three hours. He seemed to make a sort of joke out of it—they could go in any time they wanted to, twice a day, three times a day and so on—and at that time we wondered whether they were moving away from their earlier position in an effort to meet some of our objections. We tried to get him to clarify that statement to us without success. It was, of course, very hard to get that clarification at a large meeting where you have fifty or sixty countries present. But that is one of the things we wanted to have clarified because we thought we were on the verge of making some important progress. We could not, however, get any exposé of what Mr. Vishinsky actually meant by the use of those words.

Mr. COLDWELL: That is the point that was made by the Communists in this country, that he did say just that. He did say that, but the point is that he had never explained what he meant, what he would allow.

Hon. Mr. PEARSON: He has never explained it and he has refused to accept our majority resolution which provides for automatic inspection and which provides complete control by an international authority where an inspector can go into any country at any time. That is the vital point; full and complete inspection. That and the abolition of atomic weapons, the two go together. And it is not true, as the "partisans of peace" keep on saying that we are blocking it; that simply is not true. If the U.S.S.R. wish to make further progress in this matter, would welcome the opportunity to discuss the point with us in the group of six and they would not take refuge in the question of non-representation of Communist China.

Mr. GRAYDON: They have kept at arm's length.

Hon. Mr. PEARSON: They have made it impossible for this group to function, and that is the best judge of their sincerity at this present time.

The CHAIRMAN: Mr. Minister, to what period of time is this periodical inspection related; is it days, hours, months or weeks? Was it explained to them?

Hon. Mr. PEARSON: It was explained to the U.S.S.R. in the greatest possible detail in those secret small meetings, exactly what we had in mind by adequate inspection so that there was no room for any misunderstanding on their part; But *they* did not explain to us what *they* meant by adequate inspection, which we had hoped they would have done, and it can't be done until we get them back into these meetings.

Mr. FLEMING: There was a report in the press about that statement of Mr. Vishinsky after the meeting at which he made his speech about the use of atomic energy, inspection, and so on which was said not to have been reported in its entirety in the press; in fact the charge was made that he changed the record of his speech.



Hon. Mr. PEARSON: I doubt if Mr. Vishinsky changed the record of his speech. The record of his speech was changed in the Moscow newspapers, some of his more highly imaginative flights of oratory were left out of his speech as it appeared in Moscow.

Mr. FLEMING: Then he did not change the United Nations record?

Hon. Mr. PEARSON: I do not think so. I think any change that was made was made in the published report which appeared in the Moscow newspapers but I rather doubt that he would have changed the verbatim record of his speech at the United Nations.

Mr. FLEMING: I rather got that impression from the newspaper reports.

Hon. Mr. PEARSON: The United Nations Assembly have a report of proceedings which is a sort of Hansard. Members occasionally make changes in order to straighten out grammatical errors. How this particular change was made I don't know, I could have it looked up for you.

Mr. STICK: Could you tell us what the Moscow press report of his statement was?

Hon. Mr. PEARSON: I understand that the Moscow report played up the civil use of atomic energy and things of that kind, the development of atomic energy for agricultural purposes, for moving mountains, for changing river courses, and that sort of thing.

Mr. COLDWELL: I think you said the other day there was some hope of this Chinese matter being cleared up.

Hon. Mr. PEARSON: There is some possibility of it being cleared up because a switch of two votes on the Security Council would give the Communist Government of China a majority of supporters; and presumably if that took place, the Communist-Chinese representatives would be available to attend those meetings. Whether or not it will take place, I do not know; but there is some indication that there may be a change.

Mr. GREEN: Would Communist China still be a permanent member of the Security Council?

Hon. Mr. PEARSON: China could only aim to be a permanent member of the Security Council by an amendment to the charter. An amendment to the charter is subject to the veto; and any amendment to the charter which removed China from permanent representation on the Security Council could, of course, be vetoed by the U.S.S.R. and possibly by China.

Mr. STICK: If Communist China got a seat, would it assist us in getting our legation going again in China?

Hon. Mr. PEARSON: It might, but I would like to keep away from that subject at the present time and to restrict my remarks to this point, if you do not mind. That is an important question in itself.

#### Point 3.

A new approach to the problem of bringing the armaments race under control, not only in the field of atomic weapons, but in other weapons of mass destruction and in conventional armaments.

We all agree to that in principle, of course; but whether negotiations toward that end at this time would be more successful than they have been in the last three or four years is certainly problematical.

#### Point 4.

A renewal of serious efforts to reach agreement on the armed forces to be made available under the Charter to the Security Council for the enforcement of its decisions.

That suggests a renewed effort to build up an international force as is provided for in the Charter by agreement between the members of the United Nations Organization.

Mr. COLDWELL: The principal powers?

Hon. Mr. PEARSON: Yes, the principal powers, by the provision of national contingents to the international force. There has been no progress made in that field since the Charter was drawn up. There was an effort made to make progress, but it went without success. Mr. Lie, in this point, may not have had in mind anything so ambitious as that. Indeed, he gives that impression in the explanation of his point in the building up of a sort of international field force that might be of some value. But there are two schools of thought as to whether or not it would be of any value. Unless the U.S.S.R. and its friends change their attitude towards this matter nothing can be done. At the last Assembly—and I think I am right in this—a proposal was made for the establishment of a very small United Nations Guard force of about 100 members. It was a very small one, and it was just to act as police protection for United Nations Missions in disturbed areas. However, the U.S.S.R. delegation even refused to have anything to do with it. So, if they are not going to allow the U.N. to have 100 policemen to protect members of the United Nations Secretariats, they are not very likely to give very enthusiastic support to international force of greater proportions.

Mr. FLEMING: I wonder if that follows? I thought that the Russian representatives ridiculed the idea of so small a force on the ground that it was insignificant and therefore utterly useless.

Hon. Mr. PEARSON: I think they painted an imaginary picture of Mr. Lie riding on his white horse at the head of 100 policemen. But they did not give the impression that if he had been at the head of 10,000 policemen they would have been more favourable to the idea. In fact, if I am correct in my recollection they opposed the whole idea of that kind of international force.

Mr. GRAYDON: Is it not so that you can only have an effective international force with any effective magnitude provided you have the support of the international communities behind it? No force is of much importance unless you have the support of some kind of community behind it. I think that has been proven in many national forces before this; and I suppose that is one of the reasons why this point becomes almost wishful thinking until such time as there is some satisfactory agreement among the great powers?

Hon. Mr. PEARSON: In the present political climate, it is very difficult to see how it can be worked out.

Mr. COLDWELL: To what extent have the general staffs of the principal powers met to discuss this matter?

Hon. Mr. PEARSON: They have met through their military missions at the United Nations. I cannot tell you how often. We could get that information. I think it would be very interesting to have it.

The CHAIRMAN: Russia is the only country that is decidedly against an international force?

Hon. Mr. PEARSON: I would not say that. The Russian satellites, of course, merely reflect the Russian position, but that is of no significance. I think the other permanent members of the Security Council made an honest effort to see whether or not it could be worked out; but whether they are all in favour in principle, of an international force I am not sure.

Mr. FLEMING: They are not likely to be impressed now by the steps taken under the Atlantic Charter.

Hon. Mr. PEARSON: It may be that one of the reasons why Mr. Lie would like to press ahead with his idea, and make another effort, is to make it unnecessary to build up balanced collective forces under regional agreements.

Mr. FLEMING: Yes.

Hon. Mr. PEARSON: Mr. Heeney informs me that the proposal of Mr. Lie at the last Assembly was for three hundred and not one hundred policemen.

Point 5.

Acceptance and application of the principle that it is wise and right to proceed as rapidly as possible toward universality of membership.

This is another deadlock which has confronted the United Nations and one which Mr. Lie would like to see resolved. I think there are fourteen or fifteen nations that have been refused, some on the communist side and some on the other side. The Russians last year quite openly and, if you like, cynically, suggested a deal by which we would accept their candidates and in turn they would accept ours, and everybody would be allowed in. That was, of course, quite contrary to the Charter which laid down two conditions of membership: first, that the country should be peace loving; and secondly, that the country would be able and willing to carry out the obligations of the Charter. The other members of the Security Council refused even to consider this deal. But since that time a good many governments have been examining this question and wondering why we should not introduce a new concept of membership by which every state which was internationally recognized as such, irrespective of its form of government or of anything else, should be admitted to membership in this world organization. There is a good deal to be said on both sides of that question.

Point 5 is an endorsement by the Secretary-General of the United Nations of the principle of universal membership. I suppose that principle could be applied by agreement among the permanent members of the Security Council in the first instance, and possibly by an amendment to the Charter.

Mr. FLEMING: We are quite a long distance, are we not, past the point reached in 1945 when the western powers intimated that they would not admit to membership any of the nations which had not joined them in arms before the end of hostilities?

Hon. Mr. PEARSON: Yes. You may recall that one or two of them joined in the war just a few weeks before the San Francisco Conference in order to qualify. There was one which just got in under the deadline.

Mr. COLDWELL: That would mean an amendment to the Charter, and that would mean that the veto would have to be abolished in that particular case.

Hon. Mr. PEARSON: It might mean an amendment to the Charter. But if the permanent members could get together and made an informal arrangement by which they would agree to receive the applications of the states—

Mr. COLDWELL: You mean to forgo the right to veto?

Hon. Mr. PEARSON: Forgo the right to veto in respect of the applications for membership.

Mr. COLDWELL: That would be rather dangerous, would it not?

Mr. GREEN: To which country has Canada objected?

Hon. Mr. PEARSON: We have objected to Roumania, Bulgaria, Albania and Outer Mongolia. I think they are the only ones.

Mr. FLEMING: What about Spain?

Hon. Mr. PEARSON: Spain has never applied for membership.

Mr. FLEMING: What were the grounds of objection in those cases?

Hon. Mr. PEARSON: We objected to the Balkan Communist states on the ground that they had already refused to carry out their international obligations



in the observance of the Peace Treaties they had signed, and that in so doing they had not given any indication that they would be able to carry out the obligations of the United Nations Charter. Albania has refused to admit United Nations Missions into its territory; Bulgaria and Roumania have refused to recognize certain United Nations activities. In the case of Outer Mongolia, we had no reason to believe that it was a state and would carry out any international obligations of its own free will.

Mr. FLEMING: What principal countries remain which have not made application?

Hon. Mr. PEARSON: Spain and Switzerland are the only two which occur to me at the moment.

Mr. FLEMING: What about the Vatican state?

Hon. Mr. PEARSON: The Vatican state has not applied.

Mr. GREEN: Why did Switzerland not apply?

Hon. Mr. PEARSON: Because of its traditional policy of neutrality. It has never applied for membership in an organization of this kind, even the League of Nations. It is pledged to neutrality in every conflict.

Mr. FLEMING: And Sweden?

Hon. Mr. PEARSON: Sweden is a member. Portugal, Ireland, and Italy have been vetoed by the U.S.S.R.

Mr. PINARD: Is Russia opposed to universal membership in principle?

Hon. Mr. PEARSON: I do not know; but I do know that last year they were willing to make a deal under which if we took their applicants, they would take ours.

Mr. PINARD: Which would mean that they favoured it?

Hon. Mr. PEARSON: Possibly more as a matter of expediency than as a matter of principle they might approve of the principle of universal membership if it were put forward. This point of Mr. Lie's is designed to bring about discussion of this matter; I think it will succeed and there will be discussion. The next paragraph explains it. It says:

Fourteen nations are now awaiting admission to the United Nations. In the interests of the people of these countries and of the United Nations, I believe they should all be admitted, as well as other countries which will attain their independence in the future. It should be made clear that Germany and Japan would also be admitted as soon as the peace treaties have been completed.

Mr. COTE: Would Russia control the majority of these fourteen nations?

Hon. Mr. PEARSON: I think they are pretty evenly divided. I think about six or seven of them would be communist countries.

Mr. COTE: What would be the position?

Hon. Mr. PEARSON: It was a little difficult for us to accept in principle the idea that if we vote in favour of Outer Mongolia, you will vote in favour of Italy. It is difficult to justify the admission of Outer Mongolia to any organization.

Mr. STICK: If you agreed to that, you would destroy the principle of universality of membership?

Hon. Mr. PEARSON: You might argue that it is in conflict with the Charter.

Mr. COLDWELL: A very bad principle.

Mr. MACNAUGHTON: We could apply for Laurentia.

Hon. Mr. PEARSON: Point 6.

A sound and active program of technical assistance for economic development and encouragement of broad scale capital investment, using all appropriate private, governmental and inter-governmental resources.



I think there is general acceptance of that particular principle and, as a matter of fact, the United Nations are now attempting to implement it.

Mr. FLEMING: I think it was announced in the press that Canada has subscribed \$850,000 for technical assistance?

Hon. Mr. PEARSON: We accepted at the last Assembly the resolution about technical assistance; and there was a meeting in New York yesterday of members of the Technical Assistance Committee of the United Nations, the eighteen countries which are members of the Economic and Social Council. The meeting was called to get reports from the various governments on what they might do to implement this resolution. The United States Congress has already authorized between \$12 and \$13 million in addition to the Technical Assistance Program it has already instituted on a bilateral basis with other countries. Our representative said that the Canadian government would recommend to parliament \$850,000 for this program which would cover a period of eighteen months. That would presumably be put in the supplementary estimates to be submitted for parliamentary approval.

Mr. FLEMING: At this session?

Hon. Mr. PEARSON: I think it will be put in the supplementary estimates for this session.

Mr. NOSEWORTHY: Has there been any indication of what countries would be assisted?

Hon. Mr. PEARSON: No, because the scheme is not yet organized; there has been no discussion as to where this fund should operate at this time. We hope that this scheme will get into operation very quickly. It might be very encouraging to the countries concerned. It looks as if there will be a very substantial fund to begin with because a good many countries have agreed to contribute.

Mr. GREEN: Is any of the help for Southeast Asia?

Hon. Mr. PEARSON: I would hope that some of it would go to Southeast Asia but we would not want the scheme to over-lap any commonwealth arrangements. There would have to be very close co-operation between this program and any technical assistance program which comes out of Sydney.

Mr. GRAYDON: Would the minister's remarks on that particular point apply as well to President Truman's Point 4 program?

Hon. Mr. PEARSON: This technical assistance program would be President Truman's Point 4 program. The American contribution to it would be included in President Truman's Four Point Program, which might go a little farther than the United Nations scheme because the Americans have also made bilateral technical assistance arrangements with other countries; Congress has authorized something like \$23 million in addition to the \$12 million or \$13 million. So they are doing a good deal over there in this matter.

Point 7:

Mr. MACNAUGHTON: How did we arrive at that figure of \$850,000?

Hon. Mr. PEARSON: It is a cabinet and treasury board secret. The department produced a figure which we thought would be a satisfactory discharge by Canada of its obligation. It was a figure which we thought Parliament would agree to and we went through the usual procedure of trying to convince the financial people that it was not extravagant. \$850,000 was the figure ultimately arrived at. I think myself that it is a pretty satisfactory contribution.

Mr. GREEN: How would the contribution to this fund compare with our contribution to the Commonwealth Fund we have set up?

Hon. Mr. PEARSON: I cannot give you any figure for the latter; but the Commonwealth Scheme is naturally more restricted in character and more limited

in area. We shall want to contribute what we can to it. But the United Nations scheme is much broader and covers much more ground in most countries; that will have to be taken into consideration when we come to contribute to the Commonwealth scheme. However, I do hope that we shall make a respectable showing there too.

Mr. NOSEWORTHY: The United Nations program would include countries behind the iron curtain?

Hon. Mr. PEARSON: I assume it would depend on the contributions made by those countries to the scheme and their willingness to accept the obligation of membership and participation.

Mr. GREEN: Surely they would not take the contributions by the two blocs and spend the contribution of the western bloc in the countries with which the western bloc are friendly, and the contributions from the eastern bloc in the Soviet satellite countries?

Hon. Mr. PEARSON: I do not know how the scheme will be administered. They are discussing it now. But I would think it highly unlikely that any of these funds would be used in a country which refused to participate in the responsibilities and obligations as well as the privileges of this scheme. I am not sure what the attitude of the U.S.S.R. has been towards it up to the present.

Mr. COTE: Under 6 it says: "...with mutual beneficial programs planned and executed on the basis of equality rather than on a basis of charity." What would it mean?

Hon. Mr. PEARSON: Those are Mr. Lie's words. I think that "equality" must be a missprint. I think it must be "equity".

#### Point 7.

More vigorous use by all Member Governments of the Specialized Agencies of the United Nations to promote, in the words of the charter "higher standards of living, full employment and conditions of economic and social progress."

None of the democratic members of the United Nations will object to that point, but it is possibly pertinent to point out here that the U.S.S.R. have withdrawn from every specialized agency which they originally joined and are now members of none of them except, I believe, the International Postal Union and the World Meteorological Organization.

Mr. GREEN: I think Mr. Moran told us yesterday they belonged to one other.

Hon. Mr. PEARSON: I know they belong to those two, but they do not belong to any of the major specialized organizations of the United Nations, they have even withdrawn from the World Health Organization.

Mr. STICK: Is Russia a member of the World Wheat Pool?

Hon. Mr. PEARSON: You mean the International Wheat Agreement?

Mr. STICK: Yes.

Hon. Mr. PEARSON: I do not think so.

Mr. STICK: I see by the paper yesterday they are going to dump a lot of wheat on the market.

Hon. Mr. PEARSON: I do not know about that. There is some talk of a European wheat agreement being worked out by the Economic Commission for Europe.

Mr. COLDWELL: I think they said "grain". It may not be wheat, but coarse grain.

Mr. GREEN: Do the other four permanent members of the Security Council belong to all these specialized agencies?

Hon. Mr. PEARSON: Yes, I believe they belong to them all, or nearly all of them. Certainly we belong to them all, and I think the four permanent members of the Security Council belong to them all. The Russians belong to practically none and, therefore, I do not know how, in view of their present policy of abstention from almost everything—even the World Health Organization—they can carry out Mr. Lie's point 7.

Mr. GREEN: What is their reason for withdrawing from the specialized agencies?

Hon. Mr. PEARSON: Well, they probably have various reasons depending on the organization. They would say in the case of the World Health Organization, I think, that—I think they did say, that they would not get any benefit from it and it was not of the same interest in the eastern countries as it was in the western countries.

In the case of FAO, we worked with them for a long time, drawing up a charter and then they refused to sign it. The only reason why that I can think of is that they might be obligated under that organization to give statistical material—information on their agricultural position and receive experts from the Food and Agricultural Organization into their country. They never like that sort of thing.

Mr. GRAYDON: There was nothing in Mr. Lie's proposals, as I see them, that would suggest that there should be a move to bring Russia back into the specialized agencies, was there?

Hon. Mr. PEARSON: Yes, he had that in mind in point 7—"More vigorous use by all member governments of the specialized agencies"—and that includes the U.S.S.R. That is an effort on his part to get these countries back into the specialized agencies.

Mr. GREEN: He mentioned them in his explanation.

Hon. Mr. PEARSON: Yes, that is right, "including the membership of the Soviet Union."

Now point 8 will cause no opposition. That is pretty non-controversial.

Point 9—"Use of the United Nations to promote, by peaceful means instead of by force, the advancement of dependent, colonial or semi-colonial peoples, towards a place of equality in the world."

Mr. COLDWELL: You say that No. 8 would raise no controversy?—"Vigorous and continued development of the work of the United Nations for wider observance and respect for human rights and fundamental freedoms throughout the world."

Hon. Mr. PEARSON: I am sorry. I had not read No. 8. It was No. 7 I was thinking of. I am sorry, that was my mistake. I will read No. 8:

Vigorous and continued development of the work of the United Nations for wider observance and respect for human rights and fundamental freedoms throughout the world.

That will, of course, cause a good deal of controversy and we will know more about the approach of various governments to that point when the Economic and Social Council meets in July in Geneva when they will be considering the convention for human rights and fundamental freedoms.

Mr. FLEMING: Did Russia abstain from that?

Hon. Mr. PEARSON: Yes.

Mr. FLEMING: I see that Mr. Lie says that the member countries adopted this without a dissenting vote. My view was that all communist countries abstained.

Hon. Mr. PEARSON: That is right, they all abstained.



Then, point 9 deals with the, "Use of the United Nations to promote, by peaceful means instead of by force, the advancement of dependent, colonial or semi-colonial peoples, towards a place of equality in the world." And there is a short paragraph of explanation.

In principle that sounds fine and nobody could object to the principle, but there will be some governments who will view the application of this principle with some care, because they feel as colonial powers that certain members of the United Nations have been interfering in their colonial administration in a way which is not covered by or justified by the charter. There have been long arguments about that in this recent assembly.

Mr. COLDWELL: That is particularly true in the case of one of our common-wealth countries—South Africa.

Hon. Mr. PEARSON: South Africa takes a very dim view of the intervention of the United Nations in respect of former mandated territories in Africa.

Point 10—"Active and systematic use of all the powers of the charter and all the machinery of the United Nations to speed up the development of international law towards an eventual enforceable world law for a universal world society."

That is a very fine note on which to end.

Mr. GREEN: What about the International Court of Justice? Mr. Lie mentioned greater use of that court. Is it the opinion that the court is not being put to sufficient use at the moment?

Hon. Mr. PEARSON: I think there is a feeling that the court could be used more. Communist states are very reluctant to use it. A case in point is the charge that Roumania and Hungary and I think, Bulgaria have violated the clauses of the Peace Treaty which was signed with them only a short time ago; they are being asked to appear before the court in connection with that charge and they have refused.

Mr. GREEN: They will not appear?

Hon. Mr. PEARSON: No, they have refused.

Mr. STICK: What means has the World Court to enforce its decisions? I understand Albania lost a case there with the British government and they were assessed some damages. Were they paid?

Hon. Mr. PEARSON: I have no idea, but the World Court, of course, has no means of enforcing its decisions except by moral pressure—public opinion. I do not know how effective that will be in Albania.

Mr. FLEMING: Mr. Chairman, I had the great fortune to be in The Hague the day that particular case opened, and I had the privilege of attending the opening session in that Corfu case. That was a most interesting experience. They used both English and French and Sir Hartley Shawcross, the British Attorney General, made a brilliant opening in that case. The Albanian government did not have a place on the World Court at that time and they were entitled to have a place on the court and they appointed an eminent Yugoslavian jurist.

Hon. Mr. PEARSON: This was some time ago?

Mr. FLEMING: Yes, this was one and a half years ago, before relations became so strained. Albania took as their leading counsel Mr. Pierre Cot, a leading French ex-minister of several offices. I have read that he is a communist now.

Mr. GRAYDON: Was there a feeling that Mr. Lie's mission which seemed to deal with a good many generalities and which seemed in some respects to just be a redeclaration of some of the things that the charter originally stood for—was there a feeling, for instance, in the United States that a mission of this kind



might do more harm than good under present international tensions that exist and the movement towards the unified defence under the North American pact?

The reason I ask that question is that Secretary of State Acheson seemed to be rather unimpressed, I thought, from his statement with the advantages of a mission of this kind, and I was wondering if perhaps the American government felt that it might do more harm than good?

Hon. Mr. PEARSON: Well, there have been some indications of that view in Washington that the intervention of the secretary general of the United Nations in this way at this time could not do any good and might do some harm. I do not myself share those feelings of apprehension providing the intervention is done in a wise and prudent way and is not done in such a way as to make it possible for ill-disposed governments to make propaganda out of it.

As I tried to say at the beginning, the secretary general of the United Nations has a very big responsibility in these matters and has a duty to do everything he can in the present circumstances to make the United Nations function more effectively. That is his job, and if he felt that there was some hope of making progress towards the achievement of that aim with a mission of this kind, then I, for one, am not going to quarrel with him in respect of that hope.

The CHAIRMAN: There is no doubt his action proved to be very courageous in view of the previous experiences with Stalin or the U.S.S.R. government and on that score he needs to be highly praised by what we might call the rest of the civilized world for taking the responsibility he took on his shoulders.

Mr. COTE: Is there not a tendency in Washington at the present time with regard to international affairs to play solitaire?

Hon. Mr. PEARSON: I do not feel that way. I think we have had some very convincing demonstrations in recent weeks that they are very anxious to play collectively.

Mr. COTE: Play poker.

Mr. GRAYDON: Would it not have been perhaps a more realistic approach for the secretary general to have made an effort to get the heads of these major states together in one place and thresh these things out instead of taking a memorandum of this kind around to show them some events that they already had known and discussed so often in the charter meetings from time to time?

Hon. Mr. PEARSON: Well, my reply to that would be that he did suggest some months ago in a public statement, that there should be, I think he called it, a "high level meeting."

Also, I would suspect that he talked to the heads of these governments about matters other than this particular memorandum. He may have made a personal effort in his visits to bring about some kind of a meeting of this kind. I do not know. This memorandum was directed by him as the basis for his discussions.

Mr. GRAYDON: You see, we have never had a high level meeting of the particularly three major powers, if you leave France out of it for the moment, since Potsdam, I suppose.

Hon. Mr. PEARSON: That is true, but there is a great deal of danger, of course, that a high level meeting which has not been carefully prepared, will break up in dissention and increase fear and suspicion. Usually these meetings are most successful when they record understandings that have been previously reached by very careful diplomatic preparation. The meeting itself is possibly not so important as the work that goes on before the meeting. Meetings can always be arranged if there is any desire for agreement.

The way that the Berlin blockade was lifted shows that. There was a pretty elaborate piece of machinery set up to solve that problem, very effective machinery as machinery goes, and there were very good people connected with it. They did not get very far, but suddenly, one day in the lounge at Lake Success the

U.S.S.R. delegate had a chat over an orange juice, no doubt, with Mr. Philip Jessup; as a result, the Berlin blockade was lifted in due course.

Mr. STICK: Is it not true to say that if Mr. Lie had a meeting of foreign ministers and if there is no chance of success—you have those meetings and they end in failure and that has an effect on the peace of the world or the people who have faith in world peace, and this might be an opportunity that Mr. Lie took to explore the possibility of bringing them together again—that if we had meetings of foreign ministers as we had before and they failed, then the overall picture for world peace is that much diminished?

Mr. FLEMING: I suppose Mr. Lie is entitled to argue from the terms of the charter that while it is limited by organs within the organization, he is not responsible simply to the Security Council and that he has an overriding responsibility?

Hon. Mr. PEARSON: He probably feels that way and, as a matter of fact, it is noted in the charter that he has that responsibility. There are times when these high level meetings are pretty important and essential, but I have attended a great many international meetings in the last twenty years and I am becoming more and more impressed with the undesirability of holding them without the spade work being done beforehand so that the meeting is at times held more for the purpose of recording the arrangements that you have worked out, in language which will be clear, unequivocal and written down.

On the other hand, you call an international meeting to discuss some very important subject and you have not done your homework before the meeting. The big men are there—the top men. But they can only stay three or four or five days. They have to get back to their jobs; for the first two days there is a good deal of amiable and general discussion and the third day they get down to the important matters on the agenda; the next day they realize they have got to leave, and there is a terrific urge to get something on paper, some formula, some form of words which will be the “lowest common denominator of understanding”, as I said in the House a little while ago, which might mean one thing to one party and something else to another party. At the time this is possibly its greatest advantage but later on it gives a lot of trouble. The Yalta agreement is a good example of that.

Mr. Low: Well, there is a place yet for secret diplomacy?

Hon. Mr. PEARSON: Yes, for private and confidential negotiations.

Mr. GRAYDON: Might I ask, Mr. Pearson, if the much-vaunted little United Nations, which is a branch of the United Nations, is still of any value or has it been abandoned?

Hon. Mr. PEARSON: It is still in existence. It has not accomplished as much as we had hoped, because it has been boycotted by some of the members of the United Nations. I think it is due to meet next week; it has an agenda to consider next week, but it has not done what we had hoped it might have done.

Mr. GRAYDON: May I go on to another subject about United Nations, and that is, when is it anticipated that the new United Nations building in New York will be completed and ready for occupancy?

Hon. Mr. PEARSON: The secretariat building is almost completed now and the secretariat, I believe, are expected to move in by the end of this year. The assembly in September will meet at Lake Success. That will be the last assembly at Lake Success. In September, 1951, the assembly building will not be completed—not fully completed, so they will hold the next assembly abroad—in some other country. The first meeting of the assembly in the new building will be, according to present plans, in September, 1952, and by that time everything will have been completed.

Mr. GRAYDON: Is there in contemplation anything in the way of accommodation for delegates in this new structure? The reason I ask the question is that particularly in New York the problem of accommodation, as most people know who have been there, is a pretty desperate one at times and a pretty expensive one at times.

Hon. Mr. PEARSON: There will be office accommodation for delegations. There will not be anything like living accommodation.

Mr. GRAYDON: No dormitory accommodation?

Hon. Mr. PEARSON: No, if so, of course, the Canadian delegation would take upper berths.

Mr. COLDWELL: Along with Russia.

Hon. Mr. PEARSON: No, they would be in the drawing rooms.

Mr. FLEMING: I would like to ask the minister, Mr. Chairman, if there has been any discussion in any of the organizations of the United Nations yet about the people of Baltic stock—Lithuanians, Latvians and Estonians? We are all aware of the fact that horrible atrocities were perpetrated by the Russians when they went into those countries. There was wholesale slaughter of the intellectuals in these countries, those who might have formed a nucleus around which the forces of freedom might have arisen, and yet there seems to have been a minimum of discussion in international organizations on that horrible series of atrocities.

Hon. Mr. PEARSON: No, that question has not come before the United Nations, as I recall it. If it were brought up in any way, shape or form, the communist delegations, of course, would do their best to stop the discussion. It is, as you say, a little ironical that some of these terrible and bloody developments in other parts of the world could pass in the United Nations without notice when we spend hours and hours dealing with the shooting of a labour leader in former Italian Somaliland or what would be called by the communists an atrocity on the Athens waterfront. They will take hours on the political committee trying to force a discussion on that kind of thing when some of the major developments in the field of atrocities and cruelties pass without any discussion at all.

Mr. COLDWELL: Of course, the Russians take the view that Lithuania, Estonia and Latvia are war criminals?

Hon. Mr. PEARSON: Yes, and they take the view that discussion should be ruled out of order on the grounds of it being a question of internal jurisdiction, that would be contrary to the charter.

Mr. FLEMING: What is the position of Canada's diplomatic relations with those people? We have never withdrawn diplomatic recognition from the representatives of those nations prior to their invasion by Russia, have we?

Hon. Mr. PEARSON: We have never interfered—I hope I am correct in this, and if not I will be corrected—I do not think we have interfered with the privileges of the former consular representatives of those countries.

Mr. FLEMING: Well, do we still recognize them? In the book of your department concerning diplomatic representatives I do not see those countries mentioned although they had consular representatives here prior to invasion by Russia.

Hon. Mr. PEARSON: We recognize that they tried to incorporate those countries into the U.S.S.R.

Mr. STICK: The British government brought up in the United Nations the question of internment camps in these countries. Would it be effective to handle it in that way?

Hon. Mr. PEARSON: Well, there was a very full discussion on camps in the U.S.S.R.—a very violent discussion.



Mr. STICK: It could be brought about in that way, could it not?

Hon. Mr. PEARSON: It could have been brought about. I was not on that committee and I cannot remember the details of that discussion.

Mr. STICK: I thought that might perhaps answer Mr. Fleming's question in an indirect way.

Hon. Mr. PEARSON: We might look and see if their plight was before that committee.

The CHAIRMAN: Any other discussion on item 7?

Mr. GREEN: I do not know whether it is in order now, but this morning the minister tabled a letter in the House from the Organization for European Economic Co-operation inviting Canada to become associated with their council on an informal basis, and he also tabled a copy of the letter in reply, accepting that invitation. At some stage or another it would be very helpful if the minister would explain to us just what that meant, so far as Canada is concerned.

Hon. Mr. PEARSON: Well, I would find some difficulty in doing that this afternoon. The work of the Organization for European Economic Co-operation is pretty well known in a general way. I am not familiar enough with the details of that work to go into it at this time. It has set up many committees and it is attempting to bring about closer economic co-operation between the European states. This invitation arose out of our recent meeting in London of the foreign ministers. It went to the United States at the same time and, has been, I assume, accepted by the American government. We will be very shortly sending someone to Paris to get in touch with this organization, to see how it functions, and how we can best be associated with it—to report on the form which such association should take. That I think, Mr. Green, is all that I would like to say about it now, but I would be quite glad to get further information for the committee later.

Mr. GRAYDON: Would that be somebody from External Affairs or from Trade and Commerce?

Hon. Mr. PEARSON: I do not know. The kind of permanent representation will depend a good deal upon the report we get from the man we send to Paris very shortly. We do not want to appoint somebody until we know what form the representation should take.

Mr. GREEN: The press despatches in May indicated that Canada had taken the lead in suggesting that this step be taken. Apparently it is a new step for us and I imagine that it will cost us quite a bit of money?

Hon. Mr. PEARSON: There is no reason to believe that it is going to cost us money except for the cost of representation. The representation will I hope be of high quality; but we will not be opening large offices or anything like that.

Mr. GREEN: Is not the general scheme to replace the Marshall Aid Plan in 1952?

Hon. Mr. PEARSON: No, we will not be committed by this association to anything in respect of aid to Europe that we would not have been committed to of our own free will. In other words this does not make any difference in regard to that position, and I would not like to see that impression created. The United States Marshall Aid program will be ending in 1952. The United Kingdom government has said that so far as they are concerned they are determined to be on their own feet by 1952 and do not want any more of that kind of aid. That is true of the other countries. We hope that an organization of this kind will be useful for the purpose of improving general economic co-operation.

Mr. GREEN: How does this fit in for example with the international trade organization which is having a conference every few months, and the North



Atlantic Treaty, and also with the British Commonwealth. Apparently Australia and New Zealand are not being asked to sit in with the Council. Where does the Commonwealth come into the picture.

Mr. MACNAUGHTON: Have we not got the same sort of thing at Geneva? We have a liaison officer, but Canada is not, as I understand it, a member of the European federation, whatever it is. He listens in; he is holding a watching brief, and he reports back.

Hon. Mr. PEARSON: That would be one of the functions of our associate membership but we hope that it will be more than that. The International Trade organization which is not yet in being has had conferences—there is one to be held in Torquay in September. Those deal entirely with tariff matters for the countries concerned. This organization for European economic co-operation will we hope, with North American membership, deal with the larger question of the economic relationship between Europe and North America.

Mr. GREEN: Can you give us one example?

Hon. Mr. PEARSON: Well I do not want to talk about something on which I am really not sufficiently informed. The European members of this organization have been working very hard, for instance, in the last six months trying to establish a European payments system which would ease trade and financial transactions within the area. The effect of that kind of system on trans-Atlantic trade might be quite important and it would be helpful for us to have a qualified man present at the discussions of it because those European countries cannot be expected to be particularly interested in its effect on Canadian or trans-Atlantic trade. They are more particularly concerned with the improvement and easing of trading conditions among themselves. While that is a very desirable objective and we all support it, we would not in this country, nor I presume in the United States, be very happy if this kind of European arrangement developed in a way which prejudiced our own trading interests with European countries. That is the kind of development which will not be discussed at the Torquay conference. It is a long range economic proposition and the kind of thing which might take place to our disadvantage if we were not following the discussions and arrangements carefully. It would be good business, we feel, to make sure that our interests were not prejudiced by any such development and to have somebody sit in at the top level—which will be the case when we appoint our representative. We might also want to have assistants sit in on the commodity committees of OEEC. Just how all this is to be worked out I do not know; we are not sure; but we are not undertaking any negotiations for new economic commitments to Europe.

Mr. GREEN: We are really sitting in to protect our own interests and not to help European reorganization.

Hon. Mr. PEARSON: Well any development toward European economic unity should help us too; but if it is done in the wrong way it might hurt us—and possibly our presence there might do something to prevent that.

Mr. GREEN: Well, here is the heading: "Canada Invited to Help Plan European Economic Recovery". I think many people got the impression that Canada was going to step in and set up a new Marshall Aid Plan.

Hon. Mr. PEARSON: You could get that impression from the headline but that is the wrong impression; that is not what we have in mind I can assure you, and I do not think that it will work out that way.

Mr. FLEMING: May I just go back again to the matter of diplomatic representation of the Baltic countries. Mr. Pearson has said that we have given de facto recognition to Russia as the power exercising authority in those three countries, Latvia, Lithuania, and Estonia. Since we recognize the government of the U.S.S.R. de jure as the government within the union of Soviet socialistic

republics, that might raise the question of how far we have gone in this matter of recognition of Russia's seizure of the three Baltic countries. This subject may not come under item 73, but I wonder whether the minister later on would bring to the committee a full statement on the subject.

The CHAIRMAN: I think it would be a little difficult to ask the minister to come back again.

Hon. Mr. PEARSON: I could circulate a statement even if I am not here.

Mr. GRAYDON: May I ask a question with regard to OEEC. Was there any move made by the commonwealth countries, outside of the United Kingdom, to ask for or accept a similar position to OEEC as Canada has done?

Hon. Mr. PEARSON: Not that I know. I should explain. We did not take the initiative in London in seeking this association with OEEC. I went to the North Atlantic Council meeting with the instruction to make sure there was a real discussion of the implementation of article (2)—Economic and Social Co-operation. Everybody knew of our particular interest in that. I think I have explained before that I went there to see what I could do about this article. Before the Council meeting opened I had a visit from the chairman of OEEC, the foreign minister of the Netherlands. He was worried because he thought that we were going to make some kind of a proposal for the establishment of a new economic organization under article 2 which would cut across and confuse the work of OEEC which was functioning pretty effectively. Such a step would have created difficulty. So I tried to re-assure him on that score and told him we would not do anything which would interfere with OEEC—which had a pretty broad basis of European membership—broader than the North Atlantic Treaty organization because it included Sweden, Turkey, Switzerland, and most important, western Germany.

I said we had in mind to see what we could do to implement article 2 but for that purpose we wanted to set up some kind of an ad hoc committee to report back. I felt that was about as far as we could go at this stage. In that committee we could probably get some kind of a report as to how we could operate under article 2 without cutting across OEEC. Mr. Stikker, the Netherlands representative said: "Why do you and the United States not consider associating yourselves with OEEC". That might indeed be a development along the lines of implementing article 2—even broader because more countries would be included.

Mr. GREEN: In substitution?

Hon. Mr. PEARSON: Not substitution, but it would be something that we could do immediately. Meanwhile under article 2 we would be examining to see what we would do about a long range program. Association with OEEC seemed a reasonable idea and one we had been thinking about. So I referred it back to Ottawa. The same suggestion was made to Dean Acheson—but not I believe by Mr. Stikker. As the result the foreign ministers of the United Kingdom, the United States and France drew up this document and asked me if the Canadian government would like to be associated with it—recommending to OEEC associate membership for the United States and Canada. If we had not desired to be included in the document, it would have been in the name of three foreign ministers alone—it would have included the United States but we would have been outside. We decided that we should take advantage of the opportunity to align ourselves with the document and as a result, we received the recent invitation.

Mr. GREEN: I have your commentary sent from the United Kingdom for May, 1950. It seems to indicate that the plan does go a bit further than your statement today. It says: "The proposal is that, without prejudice to the work of OEEC in the specifically European sphere Canada and the United States

should proceed at once to establish, on an informal basis, a working relationship with the OEEC so that the necessary co-ordination can be effected at once with the Cabinet committee under Mr. Gordon Gray set up by President Truman to consider the problems of continuing economic co-operation between western Europe and North America after 1952 when the European recovery program comes to an end. No formal organization is envisaged for the present, pending consideration by the deputies of 'broader system of economic relations among the signatory countries' of the North Atlantic Treaty Organization".

That would indicate Canada and the United States are expecting to go a great deal further than just sitting in?

Hon. Mr. PEARSON: May I ask what document you are reading from?

Mr. GREEN: It is the Foreign Affairs Monthly Commentary.

Hon. Mr. PEARSON: That is from London.

Mr. GREEN: Yes.

Hon. Mr. PEARSON: That does not refer to our association with OEEC.

Mr. GREEN: Oh, yes, this is dealing with it? Referring first to the North Atlantic Council it says: "Priority in the Deputies' task is, naturally, given to plans of defence and their financing, but the need for developing conjoint action in the economic field (under article 2 of the Treaty) is not overlooked. In this respect, the Atlantic Council's record of achievement was usefully supplemented by an official statement issued on the same day in the name of the foreign ministers of Canada, France, Great Britain, and the United States". Then follows what I previously read.

Hon. Mr. PEARSON: I would not subscribe to that interpretation of what we did. If I may say so, I think there is some confusion there. What we will do under article II is to organize something which will be able to carry on after 1952 when OEEC comes to an end.

Mr. MACNAUGHTON: The whole thing seems to be very very simple. The department seems to be on its toes and they are certainly out to protect Canadian interests. I do not see what other interpretation you can read into it. That statement made by the Prime Minister was much to the same effect. You will find a summary of it in the *Canadian Weekly Bulletin* of the minister's own department, dated May 26, 1950.

Mr. STICK: The words "without prejudice" cover it.

Hon. Mr. PEARSON: I do not think I have said anything that would conflict with anything the Prime Minister said about OEEC in the House, because I am very well aware of that statement. Could I try to clarify it once again? There is the association with OEEC for the purpose I have indicated. That association will also be with certain countries which are not members of the North Atlantic Pact. Also the North Atlantic Pact will examine what might be done under article II. That will be the long range program—OEEC comes to an end in 1952 but article 2 does not. Maybe in the future some work we are doing on OEEC can be taken over by some other organization after OEEC comes to an end.

Mr. GREEN: Canada is not planning to participate in any new Marshall Aid plan after 1952?

Hon. Mr. PEARSON: This has no bearing on that at all as far as we are concerned.

The CHAIRMAN: Shall item 73 carry?

Carried.

Well, Mr. Minister, I believe we will revert to article 82, to provide for preliminary studies and surveys of the Midwestern watershed—(Re-Vote). We thought that when you were here you would make a statement on this item?



Hon. Mr. PEARSON: I have a statement here which I will be glad to read. Possibly I might go through it and then if there are questions arising out of it they could be addressed to me afterwards.

Mr. GRAYDON: Is the statement long?

Hon. Mr. PEARSON: Five pages. It is a pretty exhaustive statement and it repeats a good deal of the information already given.

Mr. GRAYDON: I think we should have it.

The CHAIRMAN: Shall we have the statement without questioning until it has been read?

Agreed.

Hon. Mr. PEARSON: The first part of the statement deals with organization and functions of the International Joint Commission.

"There appears to be some confusion regarding the nature and functions of the International Joint Commission and particularly with regard to its responsibilities in connection with the investigation into flood control measures in the Red River Valley. In order that Honourable members might have a better understanding of its method of operation, I would like to describe very briefly, if I may be permitted, the organization and general functions of the Commission. I would then like to explain the Commission's responsibilities in so far as they relate to the study of flood control measures in southern Manitoba.

To begin with, the Commission is an international organization which has been established by the governments of Canada and the United States pursuant to a treaty between the two countries, commonly known as the Boundary Waters Treaty of 1909. In May, 1911, parliament enacted legislation (Chapter 28, 1-2 Geo. V) for the purpose of carrying into effect the provisions of this treaty by providing for the establishment and expenses of the Canadian section of the Commission. The Commission is composed of six members. Three are appointed by the United States government and three by the Canadian government. Each section of the Commission chooses its own chairman but the two sections, separately, have no legal identity. The Commission must operate as a unit.

It has adopted its own rules of procedure and once a matter has been referred to it by either or both governments, it carries out its work independently of these governments. The Commission has had a remarkable record of success and has frequently been presented to the world—especially in after dinner speeches—as an example of what two neighbouring countries might do to prevent or settle disputes that might arise between them. The membership of the Commission at the present time, is as follows:

Canadian Section:

The Honourable J. A. Glen (Chairman),  
The Honourable George Spence,  
General the Honourable A. G. L. McNaughton.

United States Section:

Senator A. O. Stanley (Chairman),  
Mr. R. B. McWhorter,  
Mr. E. Weber.

Generally speaking, the principal function of the Commission may be described as an advisory one in that it gives advice and makes recommendations to the two governments on any matter which those governments might refer to it. In some instances, however, the approval of the Commission must be obtained before projects can be undertaken in boundary waters. The Commission's functions might be summarized as follows:

- (a) It has compulsory jurisdiction in questions of diversion, obstruction, or new uses affecting the natural level or flow of water along or across the international boundary; (Articles III and IV of the Treaty);



- (b) It has the duty to investigate and make recommendations, at the request of either or both governments jointly, upon any question involving the rights, obligations or interests of either party along the common frontier; (Article IX of the Treaty);
- (c) With the consent of both governments, it may serve as an arbitral tribunal in deciding any question of difference that might arise between them. This function has never been exercised by the Commission (Article X of the Treaty).

In recent years it has become customary for the two governments to agree before hand on the terms of a joint reference to the Commission rather than for one government to make a unilateral reference, which, of course, it is entitled to do. I think that hon. members of the committee will agree that this desirable practice should be encouraged to continue. The Souris-Red Rivers reference is a joint reference which requests the Commission to carry out investigations and make recommendations to both governments. In a reference of this kind, the recommendations are subject to the approval of both governments which may or may not act upon them. However, since the Commission's establishment almost forty years ago, its recommendations have practically always been accepted by the two governments.

When either or both governments make a reference to the Commission it is customary for the Commission to appoint its own Engineering Board to give it expert engineering advice on the matters under reference. Moreover, when making a reference the two governments usually indicate that the Commission is free to call upon the most competent engineering experts in both federal services, and to use any information or technical data which might have been acquired by any federal agency in either country. This is done in order to avoid duplication of effort and unnecessary expense. In this connection my colleague, the Minister of Justice, in his statement to the House on May 1, said:

When a reference is made by the United States and Canadian governments to the International Joint Commission of the type of this Red River problem, the Commission usually establishes its own Engineering Board for the purpose of dealing with that reference. Having regard to the fact that it is an international joint commission, that Engineering Board is also international in character and is made up of the best top-grade engineers that it is possible to secure for that purpose on both sides of the boundary. This Board, when it is made up, is a creature of the International Joint Commission, which International Joint Commission is responsible not to one government but to two governments.

In references, such as the Souris-Red Rivers reference, it is also customary for the Engineering Board to appoint an Engineering Committee to conduct the necessary field work and assemble the necessary engineering data which the Board might require in order to give the proper engineering advice to the Commission. The committee reports to the Board, and the Board reports to the Commission. Neither the committee nor the Board report to the governments; that is the Commission's duty. Both the Engineering Board and the Engineering Committee are international, each being composed of two sections in the same manner as the Commission itself. On May 25 my colleague, the Minister of National Defence, gave to the House the names of the members of both sections of the International Engineering Board and committee who were appointed to conduct investigations under the Souris-Red reference.

When a reference requires extensive investigation and the assembling and analysis of a large volume of engineering data it is the practice of the Engineering Board to make interim or progress reports to the Commission. When the Commission has received the Board's final report it usually holds public hearings to afford an opportunity to all interested parties (including governments) in both

countries, to express their views on the matters under reference. After considering all the factors, both technical and political, the Commission reports its recommendations to the governments.

On April 27 I said in the House:

The fact that the waters of the Red River have an international aspect, in that they rise in the United States, means that a satisfactory solution of the problem of flood control can be obtained only by the co-operation of the governments of both countries. It was for this reason that both governments agreed to make a joint reference of the matter to the International Joint Commission. Under the reference the commission, among other things, is required—

To conduct necessary investigations and to prepare a comprehensive plan or plans of mutual advantage to the two countries for the conservation, control and utilization of the waters under reference in accordance with the recommended apportionment thereof. Control of flood conditions, combined with

improved low water flows on the Red River in Canada, is one of the principal objectives this government hopes to achieve as a result of the reference and its investigations. These engineering investigations are being conducted for the commission by a board of engineers from the federal services of the two countries, working in cooperation with provincial and state engineers.

I also said:

The various studies necessary to the comprehensive planning of all the phases of these investigations are involved and difficult. The engineers have, however, already gathered a great deal of data on which to base conclusions. These data are being analyzed, and it is hoped that on completion of the studies the two nations will have plans which will include measures for the alleviation of flooding such as is being experienced at present.

That is the end of my quotation.

I think one matter that has been overlooked in connection with this particular reference is the fact that the investigation into flood control measures is only one aspect of the general task that has been given to the commission.

This reference also asks the commission to recommend the apportionment of the waters of these rivers which should be made between Canada and the United States. It also requires it to prepare comprehensive plans of mutual advantage to the two countries for the conservation and utilization of these waters. This calls for engineering investigations concerning possible irrigation projects, hydro-electric development, use of waters for sanitation and other matters. Plans for flood control measures must therefore be integrated in the more comprehensive plan for conservation and utilization which is of mutual advantage to the two countries.

The engineering board has made four progress reports concerning the Souris-Red Rivers reference to the commission. On May 25 my colleague, the Minister of National Defence, explained to the House that these reports were made by the board to the commission and not to the governments. He also explained that these reports were not reports of the International Joint Commission to the government and that the commission makes its report to the two governments only when its work has been completed. He added—and I quote from Mr. Claxton's statement:

It is not the practice of the International Joint Commission to make available, either to the governments or to the public, working papers and material upon which the commission arrives at its decision and recom-

mendations; therefore, it has never been the practice to table reports of this kind, and I understand that that will not be done in this case.

This situation is analogous to a case pending before a civil court. It is not the practice, while a matter is sub judice, to ask for the court's views or opinion on certain aspects of the case before it. The judge or the court renders its decision when it has weighed all the evidence before it. The Commission has been requested to expedite investigations.

In view of the recent disastrous floods in the Red River area, my colleague, the Minister of National Defence, on May 17 announced to the House that:

The government of Canada has requested the Canadian section to expedite in every way possible the completion of the engineering investigations now in progress, and the recommendations that will be based on this investigation.

In this connection the government was assured of the full co-operation of the United States. On May 12 the United States government extended to the government of Canada the sympathy of the government of the United States of America for those suffering from the ravages of the Red River flood in Canada. They also informed us that the United States section of the International Joint Commission had been requested urgently to report, at the earliest date practicable, the best flood control measures to prevent the repetition of such disasters.

The government is grateful for this expression of sympathy, and is most gratified to have the assurance of the full cooperation of the United States government in this urgent and important matter.

In addition to asking the commission to hasten its work, the government is now actively considering steps to expedite the engineering investigations concerning flood control measures in the Red River valley, within Canada. The government is seeking to work out a plan whereby the necessary engineering studies for the prevention of floods in this area within Canada can be completed within the shortest possible time.

MR. GRAYDON: Is that outside of the International Joint Commission?

HON. MR. PEARSON: Outside of the International Commission. And because of the international character of the problem and its ultimate solution, whereby these studies can be co-ordinated with the plans of the International Joint Commission.

On May 25, my colleague, the Minister of National Defence, said in the House that:

It would be quite improper for any member of the International Joint Commission or one of its officials to appear before a committee of parliament to discuss a matter which is still in process of consideration. After the International Joint Commission has arrived at a decision and made its recommendations to the governments, the situation might be different; but until the commission, which is representative of both countries, has had an opportunity to consider all the information before it and arrive at a decision, it would not be proper for a member of the commission to appear before a committee of this House for the purpose of stating views and expressing opinions before even his colleagues on the other section, or perhaps the Canadian section itself, had had an opportunity of considering the position. I suggest that that would end the usefulness of the commission as an international organization which has been remarkably successful. One of the secrets of its success has been the fact that it has been objectively representative of both countries.

I understand some honourable members would still like to have Mr. Spence called before this committee. In view of what I have said I hope this



will not be necessary. The commission now has before it more work than it has ever had at any one time in its history. This includes the reference on the east coast involving the Passamaquoddy tidal power project and the reference on the west coast involving investigations in the whole Columbia river system. At the present time—that is today—the commission is holding public hearings in Alberta and Montana concerning the waters of the Waterton and Belly rivers. As some honourable members know, this reference is also of great importance to Canada. The last hearing is scheduled for June 17, 1950.

That is the statement, Mr. Chairman, which I was anxious to make.

Mr. COLDWELL: Were all the delegates present at the time?

Hon. Mr. PEARSON: The three Americans were present, but Mr. Glen and General McNaughton were not there.

Mr. COLDWELL: Mr. Glen was not able to attend this meetings?

Hon. Mr. PEARSON: No.

Mr. GRAYDON: As one who has been somewhat impressed with the urgency of the Souris-Red River valley project which is under consideration by the International Joint Commission, and as one who has been pretty insistent in having someone from that commission come here and give us first-hand information in connection with the situation, therefore I must confess that there has been nothing in the minister's argument that has changed my mind, but that might not be his fault.

I do want to say this: The fact that both governments, when the flood came, became exceedingly active in trying to get the commission to do something and at the same time that the minister's own statement that the Canadian government, apart altogether from the International Joint Commission work, had undertaken plans to supplement it, I think are both indictments against the commission itself because the fact that, I think, it should have recognized the immediate urgency that there was there, particularly in view of the fact that there was a flood of major proportions in the year 1948.

I realize what the minister says about the question of *sub judice* and applying it to a court, but an international joint commission is not a court; it has not been set up under any kind of court structure, and when we are asked in this committee to pass upon the salaries of those who are in the commission—and when I say that I exempt from any criticism Mr. Glen, who has been ill for quite a long time and who, I think, has the sympathy of everyone in the committee—I do think this, that in the commission itself and among the public, and I fancy in the minds of the ministries and this committee, it is realized that this commission certainly has taken its time in dealing with these matters which it had under its jurisdiction—taken so much time that it did not have a report even in the two years from the last flood until the next one arrived on their doorstep, and here we have a picture of both governments locking the stable after the horse has been stolen and then coming forward and trying to get the commission to do something now, and to hurry on their work and made a supplementary undertaking as well to complement the work that the commission is undertaking.

Now, I would like to know if the minister can tell me what time the commission has taken on this particular project since the flood of 1948, and what progress reports were made and when they were made.

Hon. Mr. PEARSON: I will speak on that point, Mr. Chairman, and on one other point made by Mr. Graydon. He said, if I remember correctly, that it was only after the flood that the government urged the commission to do something. What I said in that statement. I think, was that after the disaster the government had intervened with the commission not to do something but to bring the work they had been doing to as early a completion as possible, which



is a little different. Then, also, the Red River reference was made to the commission in 1948 before the 1948 flood—not after the 1948 flood.

The other point is with respect to the dates of the various progress reports; I have that information here. It might be of some help. The reports of the international engineering boards of the commission are usually presented to the commission at its semi-annual meetings, which under its rules of procedure, are held in April and October of each year, in Washington.

The first report of the International Souris-Red River board was presented to the commission on October 12, 1948, and covered the board's activities from April 7 to October of that year. The second progress report was presented on April 7, 1949, and covers the board's activities from October 1, 1948, to March 31, 1949. The third report was presented on October 11, 1949, and covered the board's activities from April 1 to September 30, 1949. The last report was presented on April 3, 1950, and covered the board's activities from October 1, 1949, to March 31, 1950.

Mr. GRAYDON: Those would appear to be just formal reports that would have come before the ordinary annual meeting?

Hon. Mr. PEARSON: Well, these are progress reports and, like those of other international engineering boards, they keep the commission advised of what the board has done and indicate the board's plans for future work in connection with the matters before it. They probably outline such things as work on hydrometric surveys, topographical surveys, field surveys, minimum and maximum flow and conditions and other kinds of engineering matters which have a bearing on the board's reference which, as I tried to point out in my statement, dealt with more than control. It covered the utilization of water and other things.

Mr. GRAYDON: Well, I may be misinformed in connection with this matter, but at least information has come to me that there is a problem which does not seem to have gained very much publicity and that is that part of the Red River flood problem comes from the effect of a diversion of water near its source towards the north in order to avoid flooding of the Mississippi to the south, and that was one of the questions that I was hopeful I would be able to find out something about from someone who would be on the engineering end or the commission end of this International Joint Board.

I do not suppose the minister is in a position to answer that, but those are the kind of matters we ought to know about because if there is something of that kind, well then, of course, the public ought to be informed about it.

Hon. Mr. PEARSON: I am informed that on that particular point which you raise that the International Joint Commission has assured us that there is no foundation to that statement.

Mr. JUTRAS: Mr. Chairman, I think this arises out of the time that the Red river almost went dry. As a matter of fact, we did make, if not official—unofficial representation to get more water in the Red river in those days, because there was every indication that it was drying. I remember I could very easily walk through the Red in most places, and it was just about 150 feet wide at our place. It runs in a cycle and it seems at times it tends to get very dry and there was some unofficial representation to see if we could not get more water in the Red at that time. I have made some checks on that and I do not think anything was ever done about it. I do not think there is any diversion in the Red.

Well now, Mr. Chairman, since I raised the point here at the very beginning of getting some information on the work of the International Joint Commission with regard to the protection of flood waters, since then, of course, a great deal has been said both here, in the House, and in the newspapers.

Now, am I not correct in assuming—I think it is fair to say now—that the International Joint Commission will give priority to the Souris-Red River

project in Canada at least and, I understand, that the United States have said that they will co-operate fairly; and would it be fair to say that they have agreed to give this priority to the project?

Hon. Mr. PEARSON: Of course, it is very difficult for me to tell you that the International Joint Commission which is responsible to both governments will at this particular moment give priority to any particular reference; but we have received assurances which we consider very satisfactory that the Commission on both sides—the American and the Canadian—are impressed now by the vital urgency of getting this reference completed at the earliest possible date.

Mr. JUTRAS: Now, Mr. Chairman, I would like to state that at the moment I am speaking generally for the public in the flood area, but we do appreciate very much the fact that the International Joint Commission and the government have undertaken the job of doing something about this problem and are giving it very serious thought, from all reports in the newspapers and elsewhere.

Now, it would appear that the commission is attempting to find a plan, a concrete plan, to prevent flooding in the Red River valley. I have noticed in many newspapers and, as a matter of fact, in the memorandum of the Joint Commission too—both governments, both finance ministers—the Premier of the province of Manitoba and Mr. Abbott, with regard to cost—that a very optimistic reference is made to the flood protection works. Personally, or at least it has been my impression, from reports of all engineers in the past this was a thing very difficult to achieve in the Red River valley on the whole. I think it is quite possible that they could prevent a flood in the cities of Winnipeg and St. Boniface.

Now, apparently the commission will advise both cities on how to prevent flooding. The immediate step, I understand, is to improve and keep up the present dykes that were built for this flood until the general scheme can be brought into being. However, I suspect that in some of the statements at least they have referred to a control of the flood in the cities of Winnipeg and St. Boniface. I want to make it quite clear that even if they were able to control the flooding of St. Boniface and Winnipeg the greater part would still be flooded. There were 700 square miles of flooded land in the Red River valley and of that figure 690 square miles were in rural parts and 10 square miles were in the cities.

Even if they did find a way of controlling the flood of Winnipeg it still would not control the flooding of a large area of the province. I do not suppose that anything really concrete can be done within I suppose five years—with regard to preventing a general flood in the valley as a whole from the international boundary to Winnipeg. However, I think there has been one thing and I have brought it to the attention of the committee before and I would like to insist a little further. My submission concerns the rural parts. I think it is most important at the present time to get some sort of a board. I do not know exactly how it should be constituted—whether it should be municipalities and Winnipeg, or others; perhaps the provincial government and the federal government and the International Joint Commission. It should be some kind of a board that would be in a position to advise the people in the Red River Valley.

I do not refer to people in the cities but I mean people in the rural areas who should be advised whether there will be a flood next spring or in any spring. I do not believe that we will be able to prevent flooding in the whole of the Red River Valley but, I am quite sure, competent engineers with the data they have now on the behaviour of the river from the start of it to the finish—particularly when the primary factor in flooding is the amount of snow in the Red River Basin—would be able to forecast pretty accurately whether we could expect a flood in the spring. It would make all the difference in the world

if there was some warning given—I mean a serious warning and not just a warning from one official. It would be a fairly accurate forecast based on all the data. If we knew that there was going to be a flood or that chances were 90 out of 100 that we were to be flooded we could make preparations for it. A lot of people do not seem to recognize that preparations for a flood do cost money. In some cases they involve very large expenditures and it is no wonder that some of the people are hesitant to make preparation for evacuation of for instance all of their cattle—a matter which might run into thousands of dollars. However, if we had a pretty sound warning, something based on pretty accurate data, I think it would be of great benefit to us to receive that information early in the spring so we would know what to expect. That should happen, as I said, at least until the complete plan of control can be put through.

MR. GRAYDON: Would that not be normally a duty and obligation of the International Joint Commission? I listened to Mr. Jutras with great interest the first time he made representations on behalf of his constituents. He then indicated the engineers at Emerson were able to tell pretty well the exact level of the water for a long period ahead and to tell exactly how high it would come. I hope the minister and the members of the committee will not feel that I am attempting to go too far in my criticism of the Commission but really, all the evidence that has so far been adduced about its work would indicate that it is just another one of these instances, it seems to me as an outsider, where the leisurely way in which it has performed would of necessity call for some criticism in connection with its operations. It is not as though they had not some warning; they had a flood in 1948 and then we come to a flood in 1950, and we hear about what the Commission is going to do. I would like to have had Mr. Spence here to tell us what the Commission did after the flood—and I think we still ought to have him.

HON. MR. PEARSON: In so far as the Commission's responsibility goes in connection with early warning I will say this. As the committee knows the Commission is not constituted as an effective body to do that sort of thing. It has no effective field staff—it has no permanent staff of any kind. That is the way the International Joint Commission has been constituted by the two governments. It draws on engineering talent from the government services to help it with respect to a particular reference but it has no field force on the spot all the time. It may be that it should be reconstituted; it may be that it should be altered in its engineering composition; but that is not the way the Commission can operate at the present time.

MR. GRAYDON: If the Commission had been on its job and had its competent force of engineers working on the Red River project on an urgent basis, then its engineers would have been there and it would have been a simple matter. Surely we do not have to go to the statute in order to find the level of the water.

HON. MR. PEARSON: The situation which Mr. Graydon portrays of the coming of danger and the knowledge of danger in advance would be itself in part the responsibility of the local engineer authorities, the provincial, municipal and rural engineering authorities. They are there all the time. They know the conditions of the country; they know what can be expected and what can be avoided. Would they not be the people who would give to those concerned the first intimation of the approach of danger—it would not be the International Joint Commission which has, except in regard to a particular reference, no engineering staff.

MR. GRAYDON: Well how would the American engineers give the information?

MR. JUTRAS: Frankly I do not think it would be the function of the International Joint Commission as such. The Commission has two functions now—to advise, and then to act in an arbitration capacity to decide on differences of opinion. I think what I am trying to get at is that it would be advisable, and



I would like to suggest to the minister that the matter be looked into, to set up a board composed of let us say the city engineer of the city of Winnipeg, the provincial engineer, and then engineers of the same level in the United States to constitute this special board of the International Joint Commission.

Mr. GRAYDON: There you are; that is what they should have had before.

Mr. JUTRAS: Some of those people are already working in some capacity for the International Joint Commission and maybe we could create a permanent commission or board because there is that job of co-ordination needed there. Our engineers working in the province must have their data co-ordinated with the data of the Americans. Possibly another body would do just as well but since there is an International Joint Commission it might advise and be a co-ordinating body.

Mr. COTE: If I understand the International Joint Commission, and I have paid a little attention to the commission because one person in my family was on the board for many years, the Joint Commission functions in relation to disputes with regard to waters that separate the two countries—Canada and the United States. For instance, there was the joint commission which came into the picture down in our part of the country when the water level was disturbed, it had something to do with the limitation of the St. John River, That is the authority which has to do with affairs which affect both countries, where the water sheds involved extend across international boundaries. I do not see how we can expect the chairman and his fellow member of the International Joint Commission to leave the important work they are now on and come here just to talk to this committee. As a matter of fact, I raise the question that the suggestion is probably out of order because the commission is now sitting on that very problem.

Mr. GREEN: Might I ask, Mr. Chairman, whether consideration has been given to the setting up of a commission similar to the international commission controlling the Fraser River. They have a very good group there, made up of representation from both the United States and Canada and they are assisted by a small staff. They have, for instance, undertaken the installation of the fish ladders at Hells Gate on the Fraser River. Their job, of course, is to watch the river all the time. I was just wondering whether it would not be a wise thing to have a commission of that type looking after the Red River Valley and the flood situation there.

Hon. Mr. PEARSON: That brings up the point that was raised by Mr. Drew the other day. I did say when I was making my statement on behalf of the government that we are at the present time considering steps to expedite the engineering investigation for the control of the waters of the Red River Valley within Canada. That investigation is now under way and the Canadian part of the International Joint Commission is going to consider the problem you have mentioned, the setting up of a joint Canadian-American control commission.

Mr. GREEN: Such a body will be able to plan for the adequate development of the whole water shed.

Mr. JUTRAS: And, of course, the important aspect of the matter is that the water shed extends across the border into the adjoining states, and it might be desirable to arrange for the setting up of some kind of an international control authority.

The CHAIRMAN: I have listened most attentively to the discussion that has taken place and there have been some very constructive suggestions. I think we might well consider this matter when we are considering the recommendations which will be contained in our report to the House. I am sure we will have no difficulty in arriving at a satisfactory wording and we can consider that when we are sitting to study our report next week I want to say to Mr. Graydon, and I may also say that this applies to everybody else on the committee, that



we have had a very useful discussion on this subject. One thing we have to consider here is that the disastrous flood of a few short weeks ago was a real national emergency, what one might term an act of God. I might tell the members that during the last provincial election in Ontario I took an active part in refuting the charges of mismanagement against Hydro just because there was excessively low water; there, again, you have an act of God, a natural emergency; and there are occasions arising which have to be considered and treated in that way.

Mr. GRAYDON: Mr. Chairman, now that our discussions are almost at an end I would like to press, if I may, for the calling of Mr. Spence. I have given careful consideration to this matter. I know that at the moment the International Joint Commission is in session in southern Alberta, down around Lethbridge, and that they are dealing with a very important question of the control of water on the St. Mary's and Milk Rivers. That is a very great problem and I think we all appreciate the importance of the deliberations now going on there and I know we would not want to interfere in the least with them, but at the same time I do think that we should bring Mr. Spence here to appear before the committee. We have ways of meeting his convenience and we could hold a meeting of the committee at a time which would mean that he would only have to be absent from his duties out there for a matter of a few hours. I would particularly like to have him here, Mr. Chairman; and I move that he be called, so that the matter may be decided.

Mr. CAMPNEY: Mr. Chairman, before the motion is put I would like to say that I do not think it would be wise for us to call Mr. Spence or Mr. MacNaughton to come down here at the present time in view of the importance of the hearing on which they are now engaged. My understanding is that Mr. Spence is the chairman of one section, the Canadian section, of this international body. I think we should consider very carefully the desirability of bringing the principal officer of our section of this commission down here when he is presently engaged in dealing with international matters. Secondly, as I understand it, this commission only deals with matters that are specifically referred to them. I also understand in that connection that the Red River Valley problem has been referred to them, and that by the term of referred they will not only deal with the matter of the flood, but consider the whole problem with a view to working out a comprehensive and constructive program leading to control. In the third place, I think, we are going very far afield in bringing the matter of the recent Red River flood into our discussions here as a committee. We are all interested in doing anything we can which will help to prevent a recurrence of another Red River valley flood. I do not think, however, with all deference, that this committee was ever set up to deal with or is expected to deal with a matter of this kind and I do not think therefore that this committee should bring a member of the commission here for questioning. I do not think it is either necessary or desirable.

Mr. Low: Mr. Chairman, I have great sympathy for the request made by Mr. Graydon and under different circumstances I would support his motion, but at the moment I find that I cannot do that for these reasons: Mr. Spence and Mr. MacNaughton are the only two permanent members of the board sitting out west dealing with a matter which is of very great importance to western Canada. There are three American commissioners. It might be just as well to tell the committee that we are facing one of our most serious problems in connection with international waters in western Canada right now. The United States take the position that we have failed to utilize our portion of the waters from the St. Mary's and the Milk Rivers and other rivers there and that they have extended their irrigation systems to take the water that we have not used in the past and they contend now that they are entitled to

continue doing that as their share. That in itself is a very serious problem and it needs all the strength that can be mustered at these meetings which are going on out there at the present time. I think Mr. Graydon said, in support of his request, that we could meet the convenience of Mr. Spence and that it would only take him a few hours away from those meetings. I would dislike very much to subject myself to a trip from Lethbridge or Medicine Hat down here by the North Star method, give evidence before the committee, return immediately and not expect to be tired out, too tired out to perform my work when I got back.

Mr. GREEN: Are you talking about flying in the North Stars?

Mr. LOW: I have had considerable experience with North Stars.

Mr. JUTRAS: I think the calling of Mr. Spence or Mr. MacNaughton from their work at this time is not a very good suggestion. I have a lot of sympathy for Mr. Low because we are in much the same position. We want this question to be dealt with without any delay. The mere fact that they are sitting in Alberta at the present time does not mean that they are going to deal only with Alberta, because according to the report in the newspapers they will while they are in the west discuss matters pertaining to Manitoba as well. The mere fact that they are actually sitting in Alberta does not mean that they are going to restrict their considerations to the immediate vicinity in which they happen to be sitting at the moment. I would not want to ask either Mr. Spence or Mr. MacNaughton to come here at the moment and risk delaying that important work at this particular stage. I think it would be better if the motion were not proceeded with at this time.

Mr. GRAYDON: In answer to Mr. Low, I appreciate his point of view, but I would point out that I first made my request for Mr. Spence to be called before this committee long before the reference with which his commission is now dealing was made.

Mr. LOW: Well, let us put it this way; at least long before it was known to us. I understand those hearings were arranged some time ago.

Mr. GRAYDON: Well, in any event, the hearings had not taken place.

Hon. Mr. PEARSON: It was scheduled two months ago.

Mr. GRAYDON: But they didn't go out there to hold their meetings then. Had my suggestion been acted on at the time then, of course, they could have come here at a time when it perhaps would not have been so difficult for them to come. I would like to have my motion put because it was originally my motion.

The CHAIRMAN: It has been moved by Mr. Gordon Graydon, seconded by Mr. Green, that Mr. Spence be called before the Committee of External Affairs to deal with the Red River flood situation.

Mr. LOW: Before the motion is put, I would like to move in amendment: "as soon as possible after those sittings are concluded".

Mr. GRAYDON: I will be very glad to accept that amendment because after all we still have some time in the House. I am not particular about the time as long as he appears before us this session.

Hon. Mr. PEARSON: I would like to point out that after the program they are now engaged upon is finished they are to go ahead and deal with the Red River problem.

Mr. LOW: How long will they be on that, do you know?

Hon. Mr. PEARSON: I cannot give you an answer to that, Mr. Chairman; I do not know how long it will take them. It is a pretty important job. As soon as their hearings there are over, which will probably be around the 15th or the 17th, they are to proceed to Manitoba to deal with this Red River problem.

Mr. GRAYDON: It would be very helpful before that if arrangements could be made so that Mr. Spence could appear here.

Mr. RICHARD (*Ottawa East*): On a point of order, Mr. Chairman, I would point out Mr. Graydon's motion would appear to me to be out of order because of the fact that the matter is already being attended to. I agree that it would not be advisable to call Mr. Spence from the sitting in Alberta to come down here at the present time.

The CHAIRMAN: It is a matter of his convenience and being able to attend.

Mr. COTE: I think it should be put over to a later meeting.

Mr. GRAYDON: I would like to have it decided once and for all today.

The CHAIRMAN: Then we will put the motion as amended by Mr. Low.

Mr. GREEN: What is the amendment

Mr. Low: That Mr. Spence be called as soon as possible after the commission's hearings have been completed.

Mr. GRAYDON: You mean by that Alberta

The CHAIRMAN: The board's hearings in the west.

You have heard the motion: All those in favour kindly signify in the usual manner.

I declare the motion lost.

Shall item 82 carry?

Carried.

It will be practically impossible for us to meet on Thursday on account of the number of committees sitting. Would it be satisfactory to the members if the committee is called to sit on Friday next at 11:30?

Agreed.

I want to thank you, Mr. Minister, and the members of the committee for your co-operation in carrying out our work so effectively.

The committee adjourned.

## APPENDIX "A"

## DEPARTMENT OF EXTERNAL AFFAIRS

## EXPENDITURES FOR INTERNATIONAL CONFERENCES

Name of Conference	1949-50 Transportation and Subsistence en Route	Living Expenses	Sundries	Total
Economic and Social Council.....	\$ 1,009 16	\$ 4,281 12	\$ 132 72	\$ 5,423 00
United Nations Assembly.....	6,298 43	41,563 48	24,416 47	72,278 38
International Civil Aviation Conference .....	2,548 62	1,315 86	40 40	3,904 88
International Refugee Organization..	937 18	1,531 50	1,315 17	3,783 85
UNESCO—Paris .....	1,959 63	1,215 61	464 70	3,639 94
Commonwealth Conference, Colombo.	10,340 06	61 11	523 54	10,924 71
Air Facilitation Conference.....	130 86	162 70	....	293 56
Conference of Commonwealth Prime Ministers .....	614 73	522 11	133 36	1,270 20
Victims of War Conference.....	2,981 85	13,120 10	1,582 09	17,684 04
Tripartite Conference on Currency Questions .....	1,822 56	2,489 51	167 26	4,479 33
North Atlantic Treaty Conference...	821 89	556 14	....	1,378 03
Contracting Parties to GATT.....	9,842 92	23,576 65	10,290 08	43,709 65
Discussion of Palestine Questions— (Dr. G. S. Patterson).....	230 74	(Balance of expenses paid by United Nations)		230 74
Censorship Planning Conference....	324 00	166 99	48 90	539 89
World Health Conference—Rome....	406 25	178 80	....	585 05
International Road Traffic Conference —Geneva .....	256 76	284 11	....	540 87
North American Broadcasting Convention .....	655 35	993 63	....	1,648 98
International Literature and Artistic Union Conference—Neuchatel .....	5 06	47 85	....	52 91
Narcotics Commission—New York...	61 19	236 12	....	297 31
International Children's Emergency Fund .....	1,122 66	304 61	....	1,427 27
International Radio Conference.....	20 80	37 30	....	58 10
UNESCO Conference—Copenhagen ..	....	1,000 00	....	1,000 00
International Exhibition Conference— Haiti .....	330 28	(Return air transportation from Miami to Port-au-Prince only— Guest of Haitian Government)		330 28
Statistical Committee of the United Nations .....	412 10	489 34	....	901 44
International Wheat Conference.....	....	....	13 00	13 00
Canadian Group to Japan—1947—(Late claim from Australian Army for rations)	....	393 61	....	393 61
Miscellaneous Sundry Items.....	....	....	553 16	553 16
	<u>\$ 43,133 08</u>	<u>\$ 94,528 25</u>	<u>\$ 39,680 85</u>	<u>\$ 177,342 18</u>



## APPENDIX B

A breakdown of estimated expenditure on Fellowships by country is given below:

<i>Country</i>	<i>Total Number of Recommendations for Awards</i>	<i>Estimated Expenditure on each Country</i>
Bolivia .....	3	\$ 7,500
Brazil .....	5	12,500
Burma .....	1	2,500
Cambodia (French Union) .....	1	2,500
Chile .....	4	10,000
China .....	2	5,000
Colombia .....	1	2,500
Costa Rica .....	1	2,500
Ecuador .....	4	10,000
Egypt .....	2	5,000
Greece .....	4	10,000
Guatemala .....	1	2,500
Haiti .....	3	7,500
India .....	5	12,500
Iran .....	4	10,000
Iraq .....	2	5,000
Israel .....	1	2,500
Lebanon .....	1	2,500
Mexico .....	1	2,500
Pakistan .....	5	12,500
Philippines .....	4	10,000
Poland .....	3	7,500
Syria .....	2	5,000
Thailand .....	2	5,000
Venezuela .....	3	7,500
Yugoslavia .....	3	7,500





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Canada, External Affairs, Standing  
Committee on, 1950

SESSION 1950

Government  
Publications

HOUSE OF COMMONS

CAIXC 11

STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

MONDAY, JUNE 19, 1950

Items 74

Main Estimates of the Department of External Affairs  
1950-51

WITNESS:

Dr. G. S. H. Barton, Special Assistant to the  
Minister of Agriculture

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1950



## STANDING COMMITTEE

on

## EXTERNAL AFFAIRS

*Chairman:* J. A. Bradette, Esq.

*Vice-Chairman:* Gordon Graydon, Esq.

Messrs.

Balcer	Diefenbaker	Low
Bater	Fleming	Macnaughton
Beaudoin	Fournier ( <i>Maisonneuve-</i>	McCusker
Benidickson	<i>Rosemount</i> )	Mutch
Breithaupt	Fraser	Noseworthy
Campney	Gauthier ( <i>Lake St. John</i> )	Pearson
Coldwell	Gauthier ( <i>Portneuf</i> )	Picard
Cote ( <i>Matapedia-</i>	Goode	Pinard
<i>Matane</i> )	Green	Richard ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey	Leger	

*Clerk:* Antonio Plouffe.

## MINUTES OF PROCEEDINGS

MONDAY, June 19, 1950.

The Standing Committee on External Affairs met at 3.30 p.m. Mr. J. A. Bradette, Chairman, presided.

*Present:* Messrs. Bater, Benidickson, Bradette, Breithaupt, Cote, (*Matapedia-Matane*), Croll, Fleming, Fraser, Leger, Low, Noseworthy, Picard, Robinson, Stick. (14).

*In attendance:* Dr. G. S. H. Barton, Special Assistant to the Minister of Agriculture; Messrs. H. O. Moran and F. M. Tovell.

The Committee concluded its consideration of Item 74—Food and Agricultural Organization of the United Nations.

Dr. Barton was called.

The witness made a statement on the purposes, work and projects of the above mentioned Organization and was examined.

In the course of the examination, Dr. Barton gave statistics concerning the present world food situation.

Item 74 was adopted.

The Committee concluded its examination of the Main Estimates referred by the House.

On motion of Mr. Stick:

*Resolved*, That Votes 64 to 84 inclusive of the Main Estimates 1950-51, as referred, be approved.

Mr. Moran was called and read into the record an answer to Mr. Coldwell relative to the number of meetings of the Military Staff Committee of the United Nations.

Mr. Moran informed the members of the Committee that there would be presented to the House Supplementary Estimates, as indicated by the Under-Secretary of State for External Affairs at a previous meeting.

The Chairman announced a meeting of the sub-committee on Agenda for Tuesday, June 20, to discuss the Committee's report to the House.

At 5.15 p.m., the Committee adjourned to the call of the Chair.

Antonio Plouffe,  
*Clerk of the Committee.*

## REPORT TO HOUSE

WEDNESDAY, June 21, 1950.

The Standing Committee on External Affairs begs leave to present the following as its

## THIRD REPORT

On Thursday, March 30th, 1950, the House passed the following Order of Reference, namely:

That votes Nos. 64 to 84 inclusive of the Main Estimates 1950-51 be withdrawn from the Committee of Supply and referred to the Committee on External Affairs, saving always, the powers of the Committee of Supply in relation to the voting of public moneys.

Your Committee has given consideration to the above estimates and approves them.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*

## CORRIGENDA

No. 6—Evidence of May 16, page 156, line 11th the words “Daily Bulletin Canadian News” should read “daily airmail bulletin”.

No. 8—Evidence of May 22, page 215, line 7th the words “Canada and the United States” should read “Canada and the United Nations”.

No. 10—Evidence of June 6, page 256, line 9th from the bottom, after the words “United States Government”, insert the following:

The WITNESS: Then the last question outstanding from the proceedings of the committee was a list of expenditures for international conferences for the fiscal year 1949-1950. It might be tabled, if that is agreeable, Mr. Chairman.

*By Mr. Graydon:*

Q. Does that include the details of the expenses of these meetings?—A. There are no details. For the Economic and Social Council the figure is \$5,423.00; for the United Nations Assembly, \$72,278.38. In other words, we were asked for a breakdown of the \$177,000-odd that was spent for international conferences last year. Mr. Heeney at the last meeting which he attended gave a few of the figures and said he would prefer to prepare a complete statement of the expenditures on all the conferences and to produce it. I do not know that he said he would table it, but he undertook to produce it for a future meeting.

Q. Would such a statement carry a breakdown of each of those items again?—A. This does not, no.

Q. Well, will the subsequent statement carry a breakdown of items?—A. This is the subsequent statement.

No. 11—Evidence of June 9, page 263, Appendix A, the following note should appear after the words “(Travel and Removal)”: “AMOUNTS OF \$500 AND OVER”.

## EVIDENCE

HOUSE OF COMMONS,

MONDAY, June 19, 1950.

The Standing Committee on External Affairs met this day at 3:30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum, so we will get started now. Most likely there will be more members coming in in a few minutes.

At this meeting we have with us Dr. G. S. H. Barton, Special Assistant to the Minister of Agriculture. We are calling item No. 74. That is the only item which has not been passed. I will call the item now. I believe Dr. Barton will want to make a statement and after he has made it then perhaps you will have some questions to ask of Dr. Barton. Dr. Barton was formerly deputy minister, and now he is special assistant to the minister of Agriculture.

**Dr. G. S. H. Barton, Special Assistant to the Minister of Agriculture, called:**

The WITNESS: Mr. Chairman, I have not come to this meeting with any brief, and I, perhaps, should apologize for that. I have been travelling until Saturday afternoon.

Mr. Low: No apologies are necessary.

The WITNESS: Thank you very much.

However, I have a few notes and I will try to give you a brief sketch of the Food and Agriculture Organization's activities, some of the highlights. As far as I am aware this is the first opportunity that an official has had of doing that before a committee of this kind. I might remind you that it is the oldest of the new specialized agencies. The origin of its formation dates from a meeting in Hot Springs which was called by President Roosevelt and to which the post-war position of food and agriculture was really the assignment. That was called in the wartime, of course, in 1943, and out of that meeting really grew the urge for something permanent in the way of a food and agriculture organization, and that was formally organized at Quebec City in the fall of 1945. To date I think it leads them all in membership. At any rate, we had sixty-three members last fall at the conference in Washington. Since then Poland and Czechoslovakia have withdrawn so our membership stands at sixty-one at the present time.

Now, the first important activity that I think the organization undertook really was—this is history now, but it is interesting—the International Emergency Food Council. That was formed under the auspices of F.A.O.; it succeeded the combined Food Board which was limited to three members during the war: the United Kingdom, the United States and Canada. As food supplies became more difficult to obtain and the demands more urgent it was a hard job for those three countries to satisfy everyone who was clamouring for food, and out of that situation grew a demand for wider representations on that board. The machinery of F.A.O. was used for that purpose, and this International Emergency Food Council resulted, on which member nations of the United Nations had the right of representation. That organization carried on until there was finally nothing further for it to do and it was dispersed. Canada shared in that both



ways through an allotment of our food going out of the country and a portion of our food supplies coming into the country. Then, following that, and as things got further on—UNRRA was, of course, in operation after the war and when its major activity ceased, was discontinued, there was a sort of a hangover, you might say an aftermath of its work, and some residue of its funds left to complete its work. F.A.O. took that over and completed that work. The first thing that F.A.O. set out to do and one of the major things that needed doing was to establish itself really as an authentic source of information on food and agriculture all the world over. We had a service before the war, an organization in Rome, the International Institute of Agriculture, which did something but it was not a complete organization for this purpose. As a result of the war, and the upheaval in machinery it was not suitable for that work, it had to be recast, and F.A.O. set out to do that. I think it can be said today that F.A.O. is the official authentic source of information on food and agriculture. It is issuing a Year Book, periodical bulletins on different commodities, and some periodic statistical information as well.

Now, that was not an easy job because when we attempted to cover the world the first thing we found out was a lot of countries had no statistical service, some of them very important countries, others perhaps not so important from which you would not expect any statistical service, so that statistical service had to be built in a number of these countries. That is one of the jobs F.A.O. has been doing in order to get information that is thoroughly reliable, and so these reports—I have no doubt you get them—are issued. Every year at the conference there is provided an annual review of the food and agricultural situation the world over, production and marketwise.

Then, the next thing that developed, you might say, was a request for technical missions in a lot of countries that needed help to get recovery plans under way, and F.A.O. was asked to provide different types of experts, people who would go to these different countries to consult and to help them to develop plans and overcome some of the difficulties they were faced with at that time. Then, after a while that broadened out into broader missions, United Nations missions. Today they are mostly general missions because today it is found you have to have in those missions people with different types of information. Even the international bank today is using F.A.O. people in missions—where studies are being made of requests for grants—and while at Washington last week I learned that the bank there feels that investment in agriculture is basic to all other developments. They have come to that conclusion. It took them a little while to reach that conclusion, but as a result of their experience, and the need for money, they believe that investment is essential to develop a country not only in agriculture to feed itself, but industrially, as well. You have to have a basic agriculture on which you can build in a lot of these countries, so our people are being used to do that. One of them is away now on a mission of that kind. That, of course, insures not only co-operation between these different agencies but also co-ordinates their work. F.A.O. has a technical assistance program. We have not seen any of that personnel in Canada as Canada is regarded as one of the advanced countries, but we are in a position to make some contribution to this, and our people have been used in this work. They have these programs in agriculture, in forestry, in fisheries and in nutrition. The organization does not do any research itself, it has no money for that purpose. It is felt that the organization should use its services to make the information that is available known to those who need it and can use it, and assist them in using it if necessary, and that is the whole approach to the problem. There have been at times pleas for research here and there, but that is not the policy of F.A.O.; it does not spend money on research except in so far as research may be necessary to get the information that is already available.

Mr. Low: Would you tell me, Dr. Barton, who does the research work now for F.A.O.?

The WITNESS: Every country in the world is doing research. Canada, the United States, England, wherever there is research work. It is all catalogued, particularly in the United States libraries. We have a fair share of it here. Our people collect that information and take it right into the areas where it is needed, and for that purpose F.A.O. has regional organizations. They have one in Europe, at Rome. That serves all of Europe. It brings to the European countries all available information if there is something of common interest to them. It attempts to serve them all at the same time, if possible. In the middle east they have one at Cairo. These different countries have a good many conditions that are not unlike; their problems are related; they have much in common. So this regional office at Cairo therefore is a clearing house and is the channel through which the services of F.A.O. go. Then, in the Far East we have one at Bangkok, in Siam. In South America they have not been able to decide location yet so they are using Washington as a headquarters. However, there are two or three smaller ones in mind because they have quite a big area to serve, and their establishment is being considered. In the meantime they are working through Washington and special missions are sent into that area.

I will mention a few projects to give you an idea of the nature of this work. In the animal work, I think the best case I can mention is rinderpest. Some of you may know all about that. I may say that during the war at Grosse Ile, near Quebec, some of the top men in the United States and Canada worked there. It was war work, of course, with a view to developing protective measures in case of chemical warfare that might affect agriculture, livestock and so on. Now, rinderpest is a disease of animals. It has never been in this country, but it has been a scourge in other countries. There was no answer to it. They had had vaccination for sometime, but you had to use a live animal and you could only vaccinate eight or ten from the vaccine derived from each animal. So that was not practical and it was not practical especially in the countries where rinderpest was very prevalent. These people worked on that. It was under military control so far as security was concerned. They developed a vaccine that has been tried in the field since; it was tried experimentally at that time in the laboratories. They developed with remarkable success a vaccine that could be made very quickly and cheaply, which is developed on egg culture, and since the war, of course, in countries that were scourged with this disease, there was great need for some help.

*By Mr. Picard:*

Q. Was that work carried on by the Canadian Government or by an international mission?—A. It was entered into by the United States and Canada jointly.

Q. Did you have to evacuate many people from the island?—A. There were very few people on that island apart from the technical people.

Q. On that island originally there were inhabitants. Did you have to buy the farms?—A. No, the property was there, it was an old property.

Q. Yes, but I mean did you not have to extend your experiment to the whole of the island?—A. No.

Q. You did not have to buy more farms, other than the one the Canadian Government had?—A. No, we used the government area.

Mr. Low: Would you name that particular disease again, doctor?

The WITNESS: Rinderpest.

*By Mr. Picard:*

Q. Were those experiments conducted by the international organization as a combined effort?—A. No, not by the international organizations; it was a war measure. But now, after it became available, the international organization took this up to pass it on to countries that want it and can use it.

Mr. PICARD: And were the results of the experiment as good as had been expected?

The WITNESS: Yes. I was going to tell you about a little experience I had which was very interesting to me. While attending the Geneva Conference in 1947 I was talking to the delegate from Siam which had just recently been admitted to membership, that year as a matter of fact. I was greatly interested in Siam. The delegate made a very interesting speech and afterwards I was talking to him and he told me something of his troubles, something of his problem which was a decline in the volume of production in rice in Siam. I asked him about rice. I knew that production was down. It is a very great rice producing country. So I asked him: "how is it that you are not producing more rice?" and he said the trouble was the water buffalo. I said: "what is wrong with your water buffalo, what is the matter with them?" And he said, "we are losing too many of them." So I asked him what the cause of that was and he said rinderpest. Then I asked him if he had ever heard of this new vaccine, and he said, no, he hadn't; so I advised him to get in touch at once with the F.A.O. people and if necessary with our people here in Hull or with the Washington people; they did so and they established a project in Siam for the use of this vaccine. Within the last three or four years there have been several outbreaks, at least three important ones; one in the middle east, one in the far east and recently one in Africa. As soon as these outbreaks happened and came to the attention of F.A.O., they made immediate arrangements to go in there and establish units. If there was a man sufficiently qualified he took over, it wasn't so difficult and in most cases you could find such men. It is not very difficult to establish control although sometimes there are complications. There is no use putting in a control unless it is properly operated. So they put in these pest control stations. They have been doing similar work with locusts, which we know here as grasshoppers.

Mr. PICARD: You have had some other outbreaks of rinderpest during the last few years?

The WITNESS: Yes, and we have had a number of other things, but rinderpest in particular.

Mr. PICARD: And it was completely suppressed?

The WITNESS: It was completely controlled with the locust problem; another thing which is important is co-operation. You have got to get a number of the countries working together on it. We have had here with the United States a common problem in wheat rust and to a lesser extent grasshopper control; but the problem in these far eastern and southern countries is infinitely more difficult. Another project is the problem of grain storage, particularly in South America where they have a lot of pests and storage is not very good and they haven't much knowledge of how to combat these things. One of the developments of interest is the development of plants in which they can store grain and store it satisfactorily.

Now, take nutrition. Of course W.H.O. is the body principally interested in nutrition but we work closely with W.H.O. There our big problem is in getting food into circulation, nutritive food into circulation in those countries and in use. We are of course anxious to supply anything we can for that purpose and in Canada we have one product which is of particular interest, I refer to powdered skim milk. We developed the production of milk powders during the war. We had a big development in that industry but only a small volume as compared to the United States. The United States is a big dairy country, as you know, and they have a great many factories producing this milk in powdered form, as we have in Canada in skim milk which we used to use on the farm to feed the pigs and a great deal of it was wasted down the sewers. You heard something about that in the House some time ago. But there was



nothing we could do about it then. This is a valuable food and it is hoped that a great deal of this product will be utilized. It is not an expensive product, it is one that can be easily shipped and easily stored, and it is very nutritious as an element of diet. But there are difficulties in connection with it. The children's organization of the United Nations has given it top priority as a food item in many countries and they are still using it, quite a number of countries are using it in special food programs; for instance, with school children for supplementary dietary purposes; and there are some countries now purchasing it in substantial quantities, especially some of the European countries, but it has not yet become some indication of having to operate on a reduced basis and we do not know anything about it. They do not know how valuable it is nor do they know how to use it. There has to be a lot of co-operation and a lot of missionary work done to extend the use of this product. That is a matter which is receiving special attention from UNICEF, and they are largely responsible for taking a lot of our skim milk product. This year so far as I know UNICEF shows some indication of having to operate on a reduced basis and we do not know what its future may be. The United States has very large quantities of this material, skim milk powder, and of course they would like to distribute it and they are prepared to distribute it on a reduced price basis. That brings up the question, or rather the problem, as to how you distribute a food like that at special prices, or how you give that kind of food away. You know as well as I do that when you come to discuss these questions while sitting around a table at an international meeting, well, we on this side may be saying: here, now, we have got this number of people over here who want it and here are we prepared to give it away. Some fellow down the line says: hold on a minute, you see I can't give it away. And the moment you start to give it away the bottom drops out of the market just at the time when there are a lot of people who have come into production with this product and the market should be extending rapidly. What we do today has an important bearing on the long distance view of the whole thing, on what is going to happen five or ten years hence. I merely mention this to bring to your attention some aspects of these problems that may seem simple to some people but when we really get into them they are not quite so simple as they seem.

Now, with respect to grain crops, rice of course is to the East what wheat is to the West; although, as a matter of fact, they grow a lot of wheat in those countries and use a lot of wheat and as a result of the war they are using a lot more wheat than they did before. That is a big problem for the east, and when they sit around the table and want consideration of their problems it is largely a matter of rice. In this area with F.A.O. headquarters at Bangkok rice is a very big thing, and they give a lot of attention to the rice problem. Rice is not treated the same way over there as wheat is in this country.

Mr. FRASER: Before you leave that question may I ask you a question?

The WITNESS: Yes.

*By Mr. Fraser:*

Q. Has any suggestion been put forward for developing rice culture in Siam in the same way as they are doing it in the southern states?—A. Yes, that is under review.

Q. That is under review?—A. Yes.

Q. And I believe they also have the problem there with transportation?—A. Yes, transportation is a big problem with them.

The CHAIRMAN: Now, gentlemen, we will ask the witness to proceed.

The WITNESS: I am trying to put this just in a general way. I haven't very much more to say anyway. I want to mention one other type of problem which is of some interest to us, particularly at this stage, and that is seed; the intro-



duction and use of improved seed in a lot of these countries in many of which there is a lot of room for improvement. We in Canada have developed our seed in many types of crops to an extent that has not been done in other countries, but they are not all suitable for many of these other countries. Our big problem is to find what seeds grown in Canada would be adapted for use in other countries and what these countries are. Now, you have heard a lot in this country about hybrid corn and improvement in yield through its use. You know something of the vast improvement which has been made in production through the use of hybrid corn in the United States. Italy grows a lot of corn. Hybrid corn has been introduced into Italy—they gave me the percentage but I am not going to quote it because I would not be too sure of it—but they gave me the percentage of increase last year in their crop through the use of hybrid corn and it was substantial.

Mr. FRASER: And that has considerably increased production per acre?

The WITNESS: There is no doubt about it. If you go down through the central states where they grow a lot of corn, if you had been down there say ten years ago and went down there now, you would see a big change, and the same is true with respect to similar crops in this country. It has brought about not only an increase in volume but an improvement in quality.

Mr. Low: Are there any other countries making similar investigations?

The WITNESS: Yes, there are some of the smaller countries. I am not just quite sure which ones they are at the moment, but there are some, some of the European countries. As a matter of fact, I saw a bit of it growing in Holland and it didn't look any too promising, but it is there. That is just a very brief review and that leads, of course, into another field which we are now coming to, point four in President Truman's program, and for which provision is being made for the wider development and the wider application of technical assistance in many countries. Here let me say that F.A.O. has a limited budget. It is now put at \$5 million for the international organization and if you compare that with our own budget in the Department of Agriculture here in Ottawa it does not look very big, but that has to finance this organization. Incidentally, it is one of the smallest appropriations for international organizations we have. Some of the newer ones which have come along later have fared better. I mention that at this time because through this new provision, point four in President Truman's program, the United States is expected to make a substantial contribution through a vote of their congress, and I see today that our own government is also going to make a contribution—that was dealt with at the recent conference which reviewed this whole question. F.A.O. will have a prominent part to play in this expanded program and we hope will get a large share of this money, something like 29 per cent, which is being voted for the purpose, and that should enable the organization to enlarge its field of activities.

Now, I have not said anything about marketing and I suppose it might be helpful if I were to say something about that, so I will deal very briefly with it.

F.A.O. of course has had a two-sided program in mind all the way through; production on the one hand and distribution on the other. Those two things are complementary. We have had a number of studies made and we have had some concrete proposals put before the organization, each of which has found its way into public presentations. The first one was the World Food Board proposed by Lord Boyd-Orr, the first director of F.A.O. His proposal was that there should be a World Food Board established to take food out of the commercial field pretty much, and distribute it, and market it, internationally. It was a pretty ambitious plan. The plan was considered in Copenhagen in 1946, but rejected at that time by the conference as not being practical. The next thing that came up, after some study by a special committee, was

a proposal that an International Commodity Clearing House should be established. There was a report on that presented last fall at the Washington Conference. Under that plan an international agency was to be set up which would be financed jointly by the member governments of the United Nations, with a proposed capital of \$5 billion. I will not go into the details here, but just to give you an idea of it and to refresh your memory, there was to be 20 per cent cash subscription, and the rest callable to countries on the basis of national incomes.

The 20 per cent would be free money with which the organization could do business in buying and selling food in hard currency and the balance, which was to be subscribed on a national income basis, would be available for the purchase of food in countries up to the amount of their subscription—and for sale to other countries that could not buy food and pay for it in acceptable currency. They instead would provide inconvertible currency and this organization would hold the inconvertible currency and release it later on. There was a good deal of thought and consideration given to that whole scheme, but it was also finally rejected by the conference—to the disappointment, I am afraid of a good many people who thought it was an answer to a lot of our surplus problems. There was one thing, apart from the details altogether, and that was that none of this could have been done without the concurrence of governments—apart from the provision of the free capital which the organization could have used—it would have been a revolving fund.

I need not go into the difficulty of selling surpluses today, because of the imbalance in trade and the shortage of purchasing currency. There is no doubt about it that it is one problem very difficult of solution. The countries themselves, and properly qualified officials of the highest level, are giving this continuous consideration with a view to meeting the difficulty and making as much progress as possible in the circumstances. The plan, however, was not approved by the conference; it was rejected. They instead established what was called the F.A.O. committee on commodity problems. That committee, advisory to governments, has been formed and has had a number of meetings. I was at one last week in Washington. Canada has membership in that committee. The committee has not got executive power; it has not got funds, but its job is to try to find out and keep the position in continuous review—where there are needs for food, and if food is available in surplus quantities, and the means of moving food. Sales can be made at concessional prices provided the interests of other countries are not jeopardized. The end can be achieved by gifts in the same way, and it can be done by credit. A country may want to make advances over a period of years long enough not likely to interfere with the inconvertibility problem.

Since this committee was set up the United States has listed quite a number of surplus products. Among them I have mentioned skim milk. A number of those products have been listed simply at the prevailing price; others were listed at a lower price. The United States had a substantial quantity of dried eggs on hand and they wanted to sell it at a discount price less than half its cost. We in Canada were in the dried egg business during the war and other countries were, in a small way. It was the job of the committee to examine the situation and see what effect the marketing in quantity of that dried egg would have. The United States had indicated they would, if they could, market it at a proposed discount price. The committee had to assess the effect on the egg market as a whole—whether it was likely to hurt other people or not. The committee came to the conclusion that it would not; that dried egg powder was no longer a commercial factor in the egg market proper. We released part of that and quite a bit of it has been marketed since at substantially lower prices. I am not aware of any protest over any injury.

The potato business was another matter. You recall that they wanted to sell potatoes at a cent a bag at the point of delivery. That would certainly look

like a gift—at a cent a bag. The potatoes had to be moved to the shipping point and then be shipped. We had potatoes here so they logically would not come into Canada but might go to other countries. There was the cost of the shipping of those potatoes to Europe and a couple of European countries were interested in them at the time. It was a question of what would the price be, and what would the market effect be. We came to the conclusion that while perhaps there was some possibility of gaining a sale and some difficulties, there was not likely to be any serious effect and the product was released.

*By Mr. Breithaupt:*

Q. By the way what would those potatoes cost at their destination?—A. I cannot give you the exact price but we had figured on the whole shipping charges, and so on before us. It worked out to slightly below the market price in those concerned areas.

Q. You have no figures on that?—A. I have not got actual figures at the moment and I only mentioned potatoes as an example.

There was also the question of Mexican canned meat—canned by the Mexican government. The origin of it was in animals slaughtered in connection with the foot and mouth disease program the United States had to undertake in that country. The meat was canned by the Mexican government under the supervision of the United States government. They offered that product at 15 cents a pound and any information that I was able to get and what came up at the meeting, did not indicate that it was a product that was likely to compete seriously with the regular canned meat trade. Some countries were a little bit concerned—although they did say they would like to see that product moved some place because it was hanging over the market. It was released, but there was not much demand and I believe very little of it has been sold.

Skim milk is another product which comes in the category which I have already mentioned. I do not think there is anything further, Mr. Chairman, that I can say at this time although I have tried to give a brief summary of the things that F.A.O. has been doing.

*By Mr. Breithaupt:*

Q. We have found it very interesting to hear from Dr. Barton that something has been discovered to deal with pests such as locusts, and grasshoppers—with varying degrees of success—mostly successful as far as locusts are concerned. Has anything been found by your department which will deal with these tent caterpillars which are causing such ravages throughout Ontario?—A. I am afraid you have got me out of the international field.

Q. Well it has to do with food?—A. I am not an entomologist of course, and I am not the deputy minister now either, but if I were, I think I would have to say that I would have to consult the entomologists.

Q. I did not want to ask an embarrassing question but I thought it was certainly timely because of the present situation?—A. I know enough about it as a layman, from what talk I have had with the experts, to say there is not really any effective means of dealing with them—except nature, which always does deal with those things.

*By Mr. Fraser:*

Q. Some people are spraying from the air and that kills the birds and the fish?—A. That is a new thing. I sprayed myself with many gallons of D.D.T. on Saturday.

Mr. Low: You sprayed it on yourself?

Mr. FRASER: I sprayed the pests myself—I will put it that way. They are so thick on the trees that we calculated on one poplar there were over 10,000.



Something will eventually have to be done because they can move from here to where the chairman is sitting in not more than two minutes. They travel across the road so thick that you cannot put a pinpoint between them.

The WITNESS: Whereabouts were they?

Mr. FRASER: In the Peterborough area.

Mr. BREITHAUP: The same exists up around Georgian Bay.

The WITNESS: No doubt that in one's garden you can do something but I know that this pest may be very severe. I recall some years ago reading an article saying that a train had been stopped somewhere up in the northern part of the country.

*By Mr. Fraser:*

Q. They have gone for the poplar trees. They take oak trees, basswood, and wild cherry. We call them tent caterpillars here, although I think that is wrong because the pests start out right at the top of the tree where there is not a sign of a tent, and they work down.—A. If you saw them when they were developing you would notice they were in little webs,—little tents.

Q. They are not in tents at the top of those trees; they start right at the top—absolutely away from anything else, and without a tent.—A. They are on the march—they emerged from the tents when they went up the tree.

Q. They never went up the tree; they came down the tree?—A. They do not fly?

Q. Yes, they fly—in about three weeks time they will be in the moth stage and laying eggs. We had wrappers around the trees to stop them from going up.—A. As a matter of fact I took some out of my own trees yesterday. They were in different stages.

Q. You would not have them so that the whole trunk of the tree was absolutely covered?—A. No, no.

Q. On the branch of a tree where perhaps the branch was only the size of my index finger there would be a ball of these tent caterpillars bigger than a grapefruit.—A. We have nothing like that here today, although I have seen them like that description.

*By Mr. Low:*

Q. Dr. Barton you gave us some very interesting information on the distribution end of F.A.O. considerations. In connection with that you mentioned the International Commodity Clearing House proposal, I believe of IFAP, which was mainly for agriculture?—A. It was F.A.O.'s own proposal—made by its own committee.

Q. You said the proposal was finally rejected, mainly because of the problem of inconvertibility of currency?—A. Yes.

Q. Now was ICCH ever considered as a world pool of surpluses that could operate without having a currency set-up—I mean to say a pool into which the various nations having surpluses of food could place their surpluses and then draw from the pool something that they did not have—without bothering with convertibility?—A. Well, of course, the convertibility aspect of it was introduced because it was recognized that without some such provision, under present world conditions, no pool could operate. They could not sell because people could not buy unless they were going to keep it to its present capacity.

Q. What do you mean by saying "they could not sell"? Because they could not buy? Do you mean to say they would not have the goods to exchange for the goods that they wanted?—A. They have not got the money in the first place.

Q. As a practical suggestion, what do you think about a barter basis, a straight exchange of goods basis?—A. That is another type of thing.



Q. Partly, but I think the ICCH proposal as put forward and sponsored by IFAP had that barter suggestion in it?—A. They supported ICCH but there was no barter principle in the international clearing house at all.

Q. I would like to have Dr. Barton's evidence as to whether F.A.O. did give careful consideration to ICCH as a straight barter pool?—A. No, it has never done that.

Q. Do you think it would be wise if it did?—A. It has never been put forward as a proposed plan. Of course, broadly, this situation arises out of trade imbalance in the first place.

Q. That is right.—A. And that means there are countries on the one side which have more stuff to sell than they are prepared to buy from other countries in terms of trade or money. So, if you put it on a barter basis, the same limitations will hold.

Q. Hardly.—A. There is, of course, some flexibility.

Q. Yes. and do you not think, with a straight exchange of goods basis, the various countries—for they are contributing to the pool in the first place—might find certain goods which were contributed by other countries which they can take back to their own countries; then when they got through, there would doubtless be a residue which no country, perhaps, could take by exchange, and that would be their real surplus which could then be distributed free to the countries which needed it, without in any way hurting the countries which had contributed it; and it certainly would not clutter up your financial arrangements in legitimate trade.—A. I do not want to get into a discussion of the barter question. I have an open mind on these things myself, of course.

Q. Is it not true that as long as we have these trade and currency restrictions, we have to have some sort of way around them; and that one of the best ways is barter?—A. Barter is a possibility, I suppose, for some things, and between some people.

Q. Yes, of course.

The CHAIRMAN: Have you in mind any country which would barter in the way you mentioned, Mr. Low?

Mr. Low: Yes.

The CHAIRMAN: Which would have any surplus for exchange?

Mr. Low: I do not think there is any question about Canada. If Canada has powdered milk, she would not hesitate to contribute that powdered milk to the pool and take back something, let us say, which Siam might have contributed.

The CHAIRMAN: You have nothing in mind to give to the committee now? You are not a witness, but could you mention a country which would exchange for powdered milk something which it produced itself?

Mr. Low: I would have to have trade figures and commodity figures before me before I could make any recommendation. But it seems to me peculiar that we have surpluses such as dried skim milk, dried eggs, potatoes and meat of various kinds which have to be slumped off, and that is the only word I can use, slumped, at prices away below their normal market value. Many countries cannot even get them simply because we insist that they have the currency to purchase them. On the other hand, they could bring in what they had as surplus and put it into the pool and they would then be able to draw out of the pool some of the things they needed; and later on, to clear the thing up, when we find a certain residue which nobody wanted to draw off, we would try to distribute it to them free.

Mr. BATER: Who would put up the cash in the first place for the powdered milk? The government?

Mr. Low: Yes, the government.

The CHAIRMAN: You mentioned, I believe, meat from Mexico. I would not advise my family to buy that kind of meat at any price.

Mr. STICK: It is generally recognized that we have a surplus of salt cod fish in Newfoundland. I understand that Greece would like to buy it, but she has no exchange, even sterling exchange. Greece is a large exporter of currants. Could we not make a deal whereby they took our fish and we took their currants? We do not grow currants in Canada. There would be no exchange involved. It would simply be a straight business transaction. They would get our fish and we would get their currants. All we would need is the organization to handle it and if we have F.A.O., there is the organization to do it.

The CHAIRMAN: The Canadian Government could do it. That comes within its powers.

Mr. STICK: No. They have no organization to do it. They would have to set up a commercial organization to handle it. They would have to take over the currants and sell them to the Canadian trade.

Mr. Low: Not without sending trade commissions to find these things. It would operate globally, almost exactly as an ordinary market place operates in a city.

Mr. STICK: I think it was done once before in Newfoundland many, many years ago, when trade was bad. Greece had no money to pay for the fish. Then a man sent over a couple of cargoes of currants and sold them in New York and got his money to pay for the fish that way.

Mr. FRASER: He could not sell them in Newfoundland?

Mr. STICK: He could not sell them in Newfoundland, no, but he could sell them in Canada.

Mr. Low: You would be surprised to see the number of transactions which take place between farmers and producers who bring in their produce. For example, they take flowers and potted plants and exchange them for fruits, vegetables, meats or eggs. You would be surprised at the great number of transactions which take place that way. That is the sort of thing I have in mind.

Mr. PICARD: When you get on the international plane, the trouble is to find people who have something to barter with you that you need. On the other hand, there would be many countries which needed our product while we might not need theirs.

Mr. Low: I think Dr. Barton mentioned that committee of the F.A.O., and that various countries were listing with it their surplus. It is not a question of what they need. It is a question of what we have to list. Let us advertise the names of the things and let them come and get those things and pay what they can for them. If the price happens to be a certain volume of products which they have, they could list them.

Mr. PICARD: You mean that if we have a kind of product which they want, we would have to get something for what we gave? If we do away with money as a medium of exchange, let us get something in return for what we give?

Mr. CÔTÉ: If I am not mistaken, then the principle advocated by my friend, Mr. Low, is exactly the opposite of that which I understand an international body is bound to follow. When you set up an international organization, it is done with the idea of pooling the efforts of all those belonging to that organization; whereas barter involves, in my estimation, just a collateral contract between two parties. The barter principle is a negation of pooling the efforts of all those concerned in that organization. In other words, if you have an international organization, it is more or less a sort of clearing house

for information in regard to the things available, for the purpose of accomplishing something practical in the way of transactions. But it would involve everybody, not only the two parties.

The CHAIRMAN: I believe this discussion, while very illuminating, is more concerned with matters of trade and commerce.

Mr. STICK: I think so too.

*By Mr. Low:*

Q. Before the F.A.O. finally rejected the I.C.C.H. proposal, is it true that the officers of the International Monetary Fund advised the F.A.O. about it? A. No. I do not think that is true. The monetary fund people were present at the meeting, of course. What happened was that a special committee was named at the conference to examine the question after it was discussed in the committee. But it was quite apparent from the discussions in the conference that the majority of the nations were not going to support it. However, the committee was asked to review the whole situation and report on it in the light of the discussion and with any modifications that they might think the conference might consider. They brought in this recommendation.

Q. From press reports about that time I think it was indicated that the officers of the International Monetary Fund advised against the international monetary clearing house.—A. I am not aware of that. I sat in on the committee and I did not have any advice of that kind.

*By Mr. Noseworthy:*

Q. What was meant by Mr. Gardiner's statement when this was under discussion that the Canadian government was in favour of the general principle but was opposed to the means that were suggested for carrying it into effect as recorded in his statement on page 130?—A. Well, I think the position is this: Mr. Gardiner's statement as I understood it was that Canada was quite prepared to consider some form of international machinery for facilitating the distribution of food but there were provisions in this proposal to which we could not subscribe.

Q. Could you tell us what those provisions were?—A. I mentioned the convertibility factor, which was one. There was also another one, which was international. This organization was expected to provide for international buffer stocks of food, and to finance them. The majority there, including ourselves, Mr. Gardiner, the Canadian delegation took the view that buffer stocks of food could better be stored nationally than they could internationally. As a matter of fact it was impractical to store them internationally. The third major consideration was, I think, that even under I.C.C.H., International Commodity Clearing House, the free money which they would have had as a revolving fund to buy, to use as a common fund, our money was put into it, United States money was put into it, but only the United States and ourselves would have contributed in dollars. The other countries would have contributed in their currencies, could have been used to buy food and then the food sold, but that would only have been a limited feature of the organization's activities. The big thing was to sell to countries that really did not have acceptable currency to purchase and take inconvertible currency, the selling country itself putting up the money to pay for that food in its own country. In the last analysis none of that could be done except with the concurrence of governments concerned so it did not seem that any elaborate international machinery was necessary to bring about such an arrangement. If there were to be credit advances in any form it was the accepted view, at any rate with respect to the currency situation, that governments would make that decision and they would provide the money and it would be a matter of consultation, as it is under this committee. So those are the three main considerations in the I.C.C.H. proposal that Canada did not favour.



*By Mr. Low:*

Q. Is it true that your new committee, that is the F.A.O. committee on commodity problems, would only require listings of things stored in the countries themselves; you would not undertake to store them internationally?—A. No.

Q. Why would that be a problem for you, setting up the I.C.C.H.?—A. Under the I.C.C.H., its plan was to take this food over.

Q. Why not just take the listings?—A. We did not like the plan. It was not necessary or wise.

Q. I can understand that, but the listings?—A. We have the listings now; the things that are coming before this committee are listings.

Q. Is there some hope in that committee on commodity problems that might resolve itself finally into the sort of thing we have been talking about?—A. You mean on the barter basis?

Q. Any basis that is possible.—A. Well, the committee is trying to find ways and means of distributing some of this food. The only country that has any substantial surplus at the moment is the United States. Surpluses are not easy to distribute. I reported on that to the committee in Rome. I asked myself what the proposed clearing house would have done under the circumstances. The United States has been considering adding another two billion to their money. They have four and a half billion now. The million dollars in cash would not have gone very far in handling that volume of products. This committee has communicated with every government, and advised them of what the prices are and what the products are—some of these products. They would like to buy these products at a little lower price if they could get them, but just now, of course, the pinch is the other way, to economize in every way they can, preparing for what may be ahead next year when E.C.A. money is not as plentiful as it is now. They are looking for a better currency situation. That is the way it stands. How the I.C.C.H. could settle this any more than the committee could settle it, I cannot see. All it could have done was to have bought some of those products, pay their cash for them and sell them if possible.

Q. That is, if you consider that you have to do with the currency problem. I understand that—A. Yes.

Mr. BATER: I was going to ask the doctor whether I understand him correctly to say that these prices are competitive or on a noncompetitive basis?

The WITNESS: They are both. They may be either. It depends on what they are listed at as surplus goods. The products to which I refer particularly, dried eggs and potatoes and the Mexican canned meat, were at prices below the prevailing market prices and below the cost to the United States.

*By Mr. Cote:*

Q. What is the situation, doctor, with regard to dried milk?—A. At the present?

Q. At the present.—A. At the present time, the United States has a large surplus of dried skim milk. The International Children's Emergency Fund is using some. Canada is using a little bit more up to date this year than last year. Our people estimate that we will not produce quite so much this year. We are exporting some but our total export will be somewhat less and probably might be nearer half. We had an export of 25 million pounds last year altogether. The United States at the present time has a surplus of 170 million pounds. That will give you some idea how we rank. Of course, we export some to the United States too. We exported to a number of countries last year. Our product last year went, through our own sales, and UNICEF to thirty-seven different countries, and many of them had never heard of dried skim milk a few years ago.



*By Mr. Fraser:*

Q. It would then be a case of education in those countries to get them to use much milk?—A. It is. I said in Rome that the first thing that we had to look at was the nature of the product. There are a number of countries that I would like to get basic commodities to at lower prices but there are no basic commodities listed at lower prices. Instead, there are milk, potatoes, perishable crops, but how far can you ship potatoes? Not very far unless there is a shortage at the other end. And dried eggs, a thing that is out of commercial market today. During the war it was all right. They are buying some in the United Kingdom for baking but we are not in the dried egg business today. The nature of the product itself is what you have to look at first.

Q. Anyway, they don't want it?—A. No.

*By Mr. Low:*

Q. But a lot of work has been done in many cases?—A. A great deal has been done in processing potatoes, particularly in the field of flour and starches. In this country we have made starch but we have not made any alcohol, except in laboratories; you can't make it and pay anything for potatoes.

Q. I wonder if the witness would tell us something about exactly what the world food situation is—one hears so many stories—if you don't mind telling the committee something on this line—how many available acres of land are there, how much is required to maintain the present population. Could you give us something on that line?—A. Well, there is a lot of information on that. I made a speech on it myself after assembling a lot of data. I would rather send you a copy of it. I have one or two notes before me here on exactly what the position of the world food situation is at the moment. Here it is, very briefly and boiled down: In Europe they are just a little above prewar in food supplies excepting animal product.

*By Mr. Bater:*

Q. Where is that?—A. Europe.

Q. On what?—A. They are on a prewar basis.

Q. But you said except for what?—A. Animal products, except pigs and poultry. They are up on pigs and poultry but they are not up on beef or milk and things of that type. But even at that they are producing more grain than they did before the war but at the same time they have 9 per cent more population. They are just about where they were prewar. In the far east you have a deficit. They are much below prewar. You have special conditions there and the prospects are, according to our report, that they will be needing additional supplies for many years before they get up even to prewar. Their problem is to get food. They did take 7 million tons of grain last year and half of that was supplied by dollar countries. In the near east there are productive little countries, and they are increasing production. Egypt is a producer of rice and an exporter of rice. North Africa is increasing in cash crops and doing very well—that is one of the areas which has made rapid progress since the war. South Africa is seasonal, they had little corn a year ago but they have a big crop of corn this year. That is their position.

South America is increasing production but they are also increasing consumption with an increasing population. In Argentina the corn crop is a failure. They will have enough to supply the domestic use. The region is a net exporter of wheat but they are buying increasing quantities of wheat and flour for use, which is a very interesting thing. Oceania, Australia and New Zealand, have long term agreements and they are endeavouring to increase their production but they are much like ourselves, they do not swing these things quickly one way

of the other. They have some pretty good programs under way there. I think the conclusion is that the world can feed itself though it will have to struggle to do so.

*By Mr. Low:*

Q. Then dealing with production again, is there a marked trend among the nations to progress with conservation and reclamation and things of that sort so as to get more land into cultivation?—A. Oh yes, I think there is an awakening to the need for improvement throughout the world generally.

Q. Did you say there is an awakening in that respect?—A. Yes, but in some of these countries it is a big problem and very difficult to work out.

*By Mr. Stick:*

Q. And many of them depend on irrigation?—A. Yes.

Q. And if they get the Monsoon they have a splendid crop but if the Monsoon fails it means famine, and the answer to that is irrigation.—A. Yes.

*By Mr. Low:*

Q. Now, talking about China, there is a tremendous operation involved there in taking hold of the areas of land which have been washed away. Is anything being done about that?—A. I am not aware of any large projects.

Q. It is a big problem and it is going to throw a very heavy drain on a good many parts of the world?—A. Yes, it is.

Mr. FRASER: But taking the world as a whole there has been a steady increase in the consumption of food and in the demand for food in these countries.

The WITNESS: There is no doubt about that. People today are beginning conscious of the fact that they are entitled to something better than they have had in the past in the way of food.

Mr. BATER: Would you say that mechanization would play a part in making a greater amount of food products available in those countries that heretofore have been considered backward?

The WITNESS: I would say, yes, to quite an extent that would be true, although in many of these countries you have to be very careful with mechanization; in some places they seem to be over-mechanized, to mechanize just for the sake of mechanizing.

The CHAIRMAN: Shall the item carry?

Carried.

Dr. Barton, we all appreciate your presence here and the very excellent presentation which you have made to our committee.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: Before we adjourn, gentlemen, we should deal with the resolution to report these estimates back to the House.

Carried.

Now, gentlemen. I believe Mr. Moran has one or two items to place before the committee.

**Mr. H. O. Moran, Department of External Affairs, called:**

The WITNESS: I think there is only one matter, Mr. Chairman, that was a question asked by Mr. Coldwell, who is not here today. I can communicate the answer to him. He asked how many meetings have been held of the Military Staff Committee as called for by the United Nations Charter; the answer is 120.

The only other item I would like to mention is that there will be submitted to Parliament at this session the department's supplementary estimates which have been referred to on one or two occasions in the committee. These cover items which couldn't be foreseen at the time the main estimates were prepared. Mr. Heeney referred to the revaluation of the ruble in Russia, the purchase of a building in Australia, and items like the Canadian contribution to the International Children's Emergency Fund of \$600,000 and \$850,000 technical assistance—these will be among the items submitted to the House in the form of supplementary estimates.

The CHAIRMAN: Before we adjourn, a motion has to be put to the effect that votes 64 to 84 both inclusive in the main estimates for 1950-51, as referred to this committee, be approved. Those in favour?

Carried.

Then, gentlemen, we will have to work on our report.

Mr. FRASER: I think it would be wise if we left the drafting of the report to the steering committee, the same as was done last year.

The CHAIRMAN: Then I will ask the steering committee to meet in my office tomorrow at 3 o'clock.

—The committee adjourned.

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## STANDING COMMITTEE

on

## EXTERNAL AFFAIRS

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Chairman: J. A. Bradette, Esq.,

Vice-Chairman: Gordon Graydon, Esq.,

Messrs.

Balcer	Diefenbaker	Low
Bater	Fleming	Macnaughton
Beaudoin	Fournier ( <i>Maisonneuve-</i>	McCusker
Benidickson	<i>Rosemont</i> )	Mutch
Breithaupt	Fraser	Noseworthy
Campney	Gauthier ( <i>Lake St. John</i> )	Pearson
Coldwell	Gauthier ( <i>Portneuf</i> )	Picard
Côté ( <i>Matapédia-</i>	Goode	Pinard
<i>Matane</i> )	Green	Richard ( <i>Ottawa East</i> )
Croll	Hansell	Robinson
Decore	Jutras	Stick
Dickey	Léger	

Clerk: ANTONIO PLOUFFE.

## MINUTES OF PROCEEDINGS

THURSDAY, June 22, 1950.

The Standing Committee on External Affairs held an executive meeting, in camera, at 11.30 a.m. The Chairman, Mr. J. A. Bradette, presided.

*Present:* Messrs. Bater, Benidickson, Bradette, Campney, Côté (*Matapédia-Matane*), Dickey, Gauthier (*Portneuf*), Goode, Jutras, Léger, Low, Macnaughton, Mutch, Noseworthy, Pinard, Richard (*Ottawa East*), Robinson.—(17)

The Chairman read the following report of the Sub-Committee on Agenda:

A meeting of the Sub-Committee on Agenda was held on Wednesday, June 21, 1950. Besides the Chairman, Messrs. Graydon, Vice-Chairman, Benidickson, Gauthier (*Portneuf*), Léger, Low and Noseworthy were present.

The Sub-Committee has agreed to submit the accompanying draft report to the consideration of the Committee.

The Committee then gave consideration to the said draft.

After discussion, the Committee amended and adopted the draft report as so amended.

The Chairman was authorized to present the amended draft as a Fourth Report to the House.

The Chairman thanked the members of the Committee for their co-operation throughout the deliberations.

At 12.40 p.m., the Committee adjourned to the call of the Chair.

Antonio Plouffe,  
*Clerk of the Committee.*

### CORRIGENDA

No. 13, page 324, line 31st—Evidence of Tuesday, June 13, 1950 should read—

*"China could only cease to be, etc."*

No. 13, page 332, line 15th from bottom—The words "This memorandum was directed" should read—

*"This memorandum was drafted."*

### REPORT TO HOUSE

TUESDAY, 27th June, 1950.

The Standing Committee on External Affairs begs leave to present the following as its

### FOURTH REPORT

Of fifteen meetings, thirteen were devoted to consideration of the estimates referred and approved in a report to the House on Wednesday, June 21, in the course of which, your Committee heard the Secretary of State for External Affairs, the Under-Secretary, and Mr. Moran, one of the assistant Under-Secretaries.

Your Committee has also heard the Assistant-Deputy Minister of Finance, Treasury Board Division, on Item 67, and the Assistant Comptroller of Meteorological Services of the Department of Transport, Toronto, Ontario, on the Convention of the World Meteorological Organization, approval of which was reported to the House on Monday, June 12, 1950.

In addition, your Committee heard Messrs. René Jutras, Member for Provencher and Raymond Eudes, Member for Montreal-Hochelaga on the work of the United Nations and its Economic and Social Council respectively.

Dr. G. S. H. Barton, Special Assistant to the Minister of Agriculture, gave evidence on the purposes and work of the Food and Agriculture Organization of the United Nations.

Your Committee wishes to express its appreciation to the Secretary of State for External Affairs who attended five full meetings of the Committee.

The attention of the Committee was directed to the existing requirement of authentication by a United States Consul of oaths duly sworn to before Canadian notaries public for use in the United States Patent Office. As such authentication causes great inconvenience and added expense to Canadian applicants living at points remote from United States Consular Offices, and as the Canadian law never required such certification of oaths taken by United States citizens before Canadian Consuls, your Committee recommends that representations be made to the State Department of the United States Government to do away with the requirement of authentication of oaths by a United States Consul.

Your Committee recommends that the Department of External Affairs actively re-examine at once the question of the issuance and revocation of passports granted to Canadian citizens whose loyalty to alien systems of government take priority over their loyalty to ours.

Your Committee recommends that the present practice of placing a nominal sum in the estimates of the Department to enable the use of blocked currencies to acquire real and personal property in foreign countries be revised so that such purchases can be made by a method under which such expenditures will be directly voted by Parliament.

Your Committee recommends that immediate steps be taken to accelerate the activities of the International Joint Commission with reference to the acute flood dangers which are ever present in the areas served by certain international rivers.

Your Committee approves of the action taken by Canada under the provisions of the North Atlantic Treaty in the interests of preserving world peace and security. Your Committee recommends that increasing attention be given to the Asiatic zone.

Your Committee recommends that continued pressure be exerted through diplomatic and other appropriate channels to hasten action by the United States Government so that an early start may be made on the St. Lawrence Deep Waterway project.

Your Committee desires to record its appreciation to all the witnesses.

A copy of the Evidence adduced is tabled herewith.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*









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